

ORIGINAL

BHG Jackson
Treatment Center

CN1405-014

May 15, 2014

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243


RE: CON Application Submittal
BHG Jackson Treatment Center--Change of Location
Jackson, Madison County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Dick Lodge is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,


John Wellborn
Consultant

BHG JACKSON TREATMENT CENTER

**CERTIFICATE OF NEED APPLICATION
TO RELOCATE AN EXISTING
NON-RESIDENTIAL SUBSTITUTION-BASED
TREATMENT CENTER FOR OPIATE ADDICTION
WITHIN JACKSON, TENNESSEE**

Filed May 2014

PART A

1. Name of Facility, Agency, or Institution

BHG Jackson Treatment Center		
<i>Name</i>		
58 Carriage House Drive, Suites A & B		Madison
<i>Street or Route</i>		<i>County</i>
Jackson	TN	38305
<i>City</i>	<i>State</i>	<i>Zip Code</i>

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
<i>Name</i>		<i>Title</i>	
Development Support Group		jwdsg@comcast.net	
<i>Company Name</i>		<i>E-Mail Address</i>	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-665-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

3. Owner of the Facility, Agency, or Institution

VCPHCS XIX, LLC		
<i>Name</i>		
c/o Behavioral Health Group, 8300 Douglas Avenue, Suite 750		Dallas
<i>Street or Route</i>		<i>County</i>
Dallas	TX	75225
<i>City</i>	<i>State</i>	<i>Zip Code</i>

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	x
D. Corporation (For-Profit)		I. Other (Specify):	
E. Corporation (Not-for-Profit)			

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS**

5. Name of Management/Operating Entity (If Applicable) **NA**

<i>Name</i>		
<i>Street or Route</i>		<i>County</i>
<i>City</i>	<i>State</i>	<i>Zip Code</i>

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of 10.5 Years			

7. Type of Institution (Check as appropriate—more than one may apply)

A. Hospital (Specify): General		I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	x
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. Purpose of Review (Check as appropriate—more than one may apply)

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	
B. Replacement/Existing Facility		H. Change of Location	x
C. Modification/Existing Facility		I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)			
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. Bed Complement Data***Not Applicable******(Please indicate current and proposed distribution and certification of facility beds.)***

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

10. Medicare Provider Number: None
Certification Type: NA

11. Medicaid Provider Number: None
Certification Type: NA

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

The BHG Jackson Treatment Center ("BHG Jackson" in this application) has been operating in Jackson for twenty years (since 1994). It is licensed by the State and is accredited by the Joint Commission. It is proposing to move from its current site on the U.S. Highway 45 bypass, to a better building approximately 1.5 miles away.

The facility is an existing State-licensed opioid treatment program (OTP)* utilizing methadone as a core component of its treatments. Like other such licensed programs in Tennessee, it does not contract with Medicare or Medicaid/TennCare. Very few Medicare-age patients seek admission to an OTP. At this clinic currently, 1% of the patients are 65 years of age or older. None is a TennCare enrollee Please see the explanation in response A.13 immediately below, with respect to TennCare participation.

** "Opioid Treatment Program" or "OTP" is becoming the preferred name for the type of State-licensed, comprehensive, clinic-based program that provides methadone or suboxone replacement therapy combined with intensive counseling and social services. Other names frequently given to these programs include "methadone maintenance therapy" (MMT), or "methadone clinic." The current (CY2013) Tennessee licensing category for this type of facility is "Alcohol and Drug Non-Residential Opiate Treatment Facility".*

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? No IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

In West Tennessee, the available TennCare MCOs are United Healthcare Community Plan, BlueCare, and TennCare Select. However, TennCare reimbursement does not cover opioid treatment programs ("OTP's") for patients over 20 years of age;

and this clinic (like the others in Tennessee) serves only adult patients 18 years of age or older. Therefore the "window" of TennCare coverage for OTP services is only patients who are 18-to-20 years of age. Very few persons that young seek admission. In this clinic currently, there are no TennCare patients 18-20 years of age. As a result, like Tennessee's other OTP's, this Memphis program does not need to formally contract with TennCare MCOs.

However, this facility is able to serve eligible TennCare enrollees (age 18-20) on a private pay basis. Such TennCare patients work directly with their MCO to be reimbursed personally for their payments to the clinic. The clinic submits to the MCO each patient's medical intake assessment, diagnosis, and most recent treatment plan, to establish medical necessity. TennCare patients who need transportation to the clinic can often utilize transportation contracts between the Bureau of TennCare and local nonprofit organizations.

This treatment model is affordable for opioid-dependent TennCare patients, especially when compared to the costs of not seeking such treatment. Methadone maintenance treatment at this clinic, after initial intake, costs approximately \$98 per week. The only alternative for the addiction is to continue purchasing opioids illicitly "on the street"--which costs the drug user three to four times as much. When self-medicating without the monitoring and support of a comprehensive treatment program, patients' outcomes have proven to be dangerous as well as costly to society.

SECTION B: PROJECT DESCRIPTION

B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

- The applicant's facility is a licensed, Joint Commission-accredited clinic that has been operating in Jackson since 1994. It is located at 1869 Highway 45 Bypass, just south of I-40 in Jackson at Exit 82. The applicant proposes to relocate approximately 1.5 miles to the east, into 5,322 SF of leased space at 58 Carriage House Drive, Suites A & B, within the same zip code in Jackson. The purpose of the relocation is to provide an improved physical facility for BHG patients and staff. The relocation will not change the program's services or utilization.
- The applicant operates an outpatient Opioid Treatment Program ("OTP") that is authorized to dispense daily dosages of opioid substitutes such as methadone and suboxone, to adult patients (age 18+) who are addicted. This is done under rigorous controls that include mandatory drug testing, counseling, and social services. Methadone is a safe, synthetically engineered "substitute" opioid used to relieve and stabilize persons who are dependent on very harmful opioids such as heroin, OxyContin, Dilaudid, morphine, and hydrocodone. A harmless substitute medication such as methadone, taken daily, suppresses patients' cravings for harmful opioids, allowing patients to lead normal lives--holding jobs, maintaining family relationships, and living more safely. Equally important, the applicant's program provides comprehensive behavior therapy and case management services to support the patient's recovery and stabilization.

Ownership Structure

- The licensed facility's owner is VCPHCS XIX, LLC, whose only member and parent company is VCPHCS, LP (which does business as Behavioral Health Group, or "BHG"). BHG is Tennessee's largest provider of this type of service. It owns 10 of Tennessee's 12 clinic programs of this type. Attachment A.4 contains a list of those programs, located in Memphis (3), Jackson, Paris, Nashville, Columbia, and Knoxville (2). BHG operates a total of 38 treatment centers in eight States. Materials on BHG are also provided in that attachment.

Service Area

- The applicant's primary service area consists of eight counties surrounding Jackson: Chester, Crockett, Gibson, Henderson, Hardeman, Hardin, Madison, and McNairy. Approximately 93% of this clinic's patients in CY2013 resided in Tennessee. Madison County patients comprised approximately 41% of its patients. The primary service area patients comprised approximately 79% of its patients. Approximately 11% of the clinic's patients came from 20 other Tennessee counties and 6 other States.

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Need

- The facility now occupies a relatively old building on one of Jackson's busiest highways. Its roof leaks into the clinic on occasion; its HVAC systems have recently been malfunctioning. As a licensed outpatient healthcare facility, the applicant needs to be in a building that is in better condition. The proposed location five minutes' drive from the current location provides an improved environment.

Existing Resources

- West Tennessee has seven clinics of this type. BHG, the applicant's parent company, operates six of them. In Memphis (Shelby County) there are three, all operated by BHG. In rural West Tennessee, there is the applicant clinic in Jackson (Madison County), and three others in Dyersburg (Dyer County), Paris (Henry County); and Savannah (Hardin County). The clinic in Savannah is independent; BHG operates the clinics in Dyersburg and Paris.

Project Cost

- The project cost for CON purposes is estimated to be \$1,274,050. Of this, only \$528,970 is actual capital cost; the balance is the value of the leased space that HSDA rules require applications to include in the CON cost.

Funding

- The applicant LLC and its parent BHG have sufficient funds on hand or available to implement the relocation.

Financial Feasibility

- The program will continue to operate with a positive financial margin in its new location.

Staffing

- The relocation will not require addition of any staff. BHG Jackson Treatment Center's utilization has been fairly uniform for several years; no increases of utilization or changes in services are projected in the near future.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.*) INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.

The applicant is currently located in central Jackson, at 1869 Highway 45 bypass, near Exit 82. The applicant is proposing to relocate to an office building only 1.5 miles and five minutes' drive to the east, at 58 Carriage House Drive, Suites A & B. The proposed location is close to the applicant's current location. It is within the same general area of Jackson, and within the same zip code.

The proposed location combines two suites in a 10,137 SF building that is a one-story structure with ample patient parking spaces. Its only other occupant will be a car radio shop on the back of the building. The building's zoning is B-5, a broad general business category that is consistent with the proposed use.

The applicant plans to renovate and occupy an estimated 5,322 SF of space. The finished clinic will contain patient reception, waiting and intake areas; offices for the Medical Director, Program Director, Nursing Supervisor, and Counseling Supervisor; offices for four patient counselors; secure pharmaceutical storage in a secure medication room; four medication administration spaces ("dosing booths"); a Patient Resources Room (small library/media room); a Group Counseling Room; a staff break room; support spaces for IT and operations functions; and several bathrooms for staff, patients, and drug screening tests. It has a reception and main waiting area at the entrance, and a subwaiting area within the counseling area behind reception. A floor plan of the proposed clinic is provided at the end of this response as well as in the Attachments section of the application.

The new space has been designed for efficient, secure, and confidential patient care. It has been planned by BHG, the applicant's parent company, working with Denton Architecture of Memphis. At the new location, the facility will continue to comply with all State licensure, Federal certification, and accreditation standards.

Arriving patients will park beside the building and will enter the clinic on the north side of the building. They will enter a reception and main waiting room, with financial, administrative, and medical records support. From there, they will be directed to the appropriate rooms behind the entrance area, for their scheduled services. At the conclusion of their visits they will exit on the west side of the building.

If only dosing is scheduled (administration of medication by a medication nurse), they will proceed to a dosing booth for administration of the medication by a nurse. If counseling is part of their scheduled care that day, they will proceed either to a private, sound-proof counseling office to meet with their assigned counselor, or to a group counseling room. If drug screens and/or lab analysis are required, patients will proceed into an area with a specimen drawing room adjacent to a laboratory for testing and analysis. If a patient is scheduled to see the Medical Director or Nurse Practitioner for medical care, s/he will proceed to the Medical Director's office.

There will be a secure, locked medication room internal to the building. It will have motion and vibration alarm systems to defeat any attempts to steal pharmaceuticals during or after operating hours. It will have thick plywood shielding in the ceiling and walls, underneath the drywall finishes. It will contain a locked vault, or safe, for storage of pharmaceuticals. The medication room and its vault will meet the Drug Enforcement Administration's OTP-specific security requirements established in 21 CFR Section 1305.

An unarmed security guard will be on duty inside and outside the building during operating hours--to manage early-morning traffic, to promote public comfort, to discourage attempts at theft, and to prohibit loitering in or near the property, whether by existing patients or otherwise.

Facility Cost, Funding, Financial Feasibility

The project cost for CON purposes has been estimated at \$1,274,050, of which only \$528,970 is the actual capital cost. The balance of \$745,050 is the total lease payments during the first term of the lease (these must be included as a CON cost under HSDA rules). The applicant LLC, through its parent company BHG, has sufficient cash

on hand to implement the project. The clinic currently has an established patient base and a positive cash flow and operating margin. These will continue at the new site.

The Site

The site was chosen because of (a) the building quality, (b) its distance from properties with uses that sometimes cause concern when an opioid treatment facility is proposed nearby, and (c) its location within the same general area of Jackson, where it has quietly met patients' needs for two decades.

For example, there are no public schools or parks or residential subdivisions near the proposed project. The site is in an almost entirely commercial area, with a few apartment buildings and community churches, but nothing that could be called a "residential neighborhood" nearby. Almost all patient visits to the facility will occur in the early morning hours beginning at 5 am, and ending by 11 am. The program does not adversely impact any neighborhood activities at its current location (which is in a shopping mall), and it will not have adverse impacts at the proposed location.

The following page lists land uses of properties within blocks of the proposed site, in all directions. The adjoining areas contain no schools, parks, or churches. Most land uses are restaurants and other commercial activities. There is some manufacturing as well. It should be noted that this clinic has been located in a shopping center for many years, so its proposed relocation is likely to provide enhanced separation from community activity.

BHG JACKSON TREATMENT CENTER
Proposed Site at 58 Carriage House Drive, Suite A & B, Jackson, TN 38305
Land Uses In All Directions

(To be submitted under separate cover)

Operational Schedule

The project's first full operational year at the proposed new site will be January through December of CY2015. It will operate seven days a week, with four holidays a year (Memorial Day; Independence Day; Thanksgiving; Christmas).

The clinic's operating hours will continue to be from 5:00 am to 1:30 pm Monday through Friday, and 5:30 am to 8:30 am on Saturday and Sunday. Counseling is provided Monday through Saturday.

The clinic's routine patient service hours (patient dosing) will continue to be 5:30 am to 11 am on Monday through Friday, and 5:30 am to 8:30 am on Saturday and Sunday. Program staff, including the Medical Director, are on call 24/7 through the clinic's emergency call numbers, one of which is a cell phone.

Licensure, Certification, Accreditation

Like all of the BHG clinics in Tennessee, this facility is currently licensed by the Tennessee Department of Mental Health (DMH) as an "Alcohol and Drug--Non-Residential Opioid Treatment Facility." The licensure category will change to "Non-Residential Substitution-Based Treatment Center for Opiate Addiction", as the licensing agency re-licenses facilities using the term prescribed in a recent State statute.

The clinic will also continue to be Federally licensed by the Drug Enforcement Administration (DEA) under a "Registered Controlled Substance Certificate," which allows it to handle certain controlled substances. It operates under certification as an opioid treatment program from the Center for Substance Abuse Treatment (CSAT), a branch of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the U.S. Department of Health and Human Services.

All of BHG's Tennessee clinics are accredited by The Joint Commission or by CARF (a national nonprofit accreditation organization originally founded as the "Commission on Accreditation of Rehabilitation Facilities"). The Jackson facility is

Joint Commission-accredited. Its accreditation survey findings are provided in the Attachments.

Ownership and Management

The BHG Jackson Treatment Center is wholly owned by VCPHCS XIX, LLC, a limited liability company. That LLC is wholly owned by VCPHS, LP, a limited partnership, all of whose interests are owned by BHG Holdings, LLC. Entities with 5% or greater membership interests in BHG Holdings, LLC are:

BHG Investments, LLC	84.00%
Andrew Love	7.02%
James Draudt	7.18%

Program Description

1. Staffing

A Program Director supervises all daily operations of the program. Medical supervision and medical care are provided by a Medical Director (assisted by a Nurse Practitioner if requested by the Medical Director), the Program Director (who is a nurse), the Nurse Supervisor, Medication Nurses, and Medical Assistants/Phlebotomists as needed. Intake evaluations and counseling are provided by the Counselor Supervisor, with support from Administrative staff and Medical Assistants. The Counselor Supervisor supervises a staff of four clinical counselors. Administrative support persons, maintenance and security personnel provide administrative and facility support.

The staffing pattern will be unchanged at the new location (see section C.III.3 of this application). The applicant projects having an average of one counselor per approximately fifty to sixty patients (dependent on a counselor's mix of new versus stable patients), as reflected in the facility design and staffing pattern, i.e., four counselors, and

a counselor supervisor (who does some counseling as well as supervision), for a program seeing 250-300 patients on average.

The frequency of counseling depends on individual needs, with more intensive counseling required in the early phases of the program (twice weekly during the first 30 days), and less frequent counseling as the patient moves through later phases. With an established program like this, ratios tend toward one counselor per sixty patients because longer-term patients require less frequent counseling. A new program would start off closer to one counselor per thirty patients. Offices are provided in the new floor plan for a Counselor Supervisor and four counselors--the same number that are not on staff. All will have a counseling caseload.

The program's Medical Director, Christopher Marshall, M.D., is licensed in Tennessee and holds current State controlled-substance registration and a Federal DEA certificate. He received his M.D. from the U.T. College of Medicine in Memphis; completed a University of Louisville residency in Family Medicine in Glasgow, Kentucky; and has been on the medical staff of several Kentucky and Tennessee hospitals. He is subspecialty Board Certified in Addiction Medicine and resides currently in Linden, Tennessee, east of Jackson.

2. Program Overview

The objective of the program is to help patients stop using opioids and any other drugs that interfere with their lives, so they can resume normal lives in their homes, workplaces, and communities. This is accomplished through not only a medically managed program of substituting methadone for harmful opioids and encouraging managed withdrawal, but also by simultaneously requiring intensive counseling and support services to help patients change the lifestyles and personal relationships that led them to develop drug dependencies.

Admission to the program is tightly controlled through stringent medical, State, and Federal admission criteria. Applicants must be at least 18 years of age. They must demonstrate opioid dependency through assessment screenings and lab work; and

they must have been physiologically dependent for at least one year. The Tennessee Controlled Substance Monitoring Program Database is checked (at entry, and periodically as needed) to identify narcotic prescriptions that a patient may have had filled. The intake staff also checks adjoining States' prescription registries, and investigates the patients' use of other OTP's within driving range. Inquiries will be made with the patient's personal physician, if any. Admission to the program will be granted only after the Medical Director has met with the patient and is satisfied that the patient is eligible and committed to work toward recovery. In addition to serving its own program enrollees, the clinic also serves a significant number of "guest" patients who are traveling through Memphis and are enrolled in other OTP programs. They are served only after a very detailed screening and certification process coordinated with their "home" OTP program, to ensure their active status in a licensed program and the appropriateness of the care they seek at the BHG Jackson Treatment Center.

The first month of the program is an intensive orientation period to prepare the patient for successful integration into the program. A discharge planning process starts immediately upon intake to reinforce that the patient's goal is to eliminate all drug dependency, including dependence on methadone. The patient meets with the Medical Director and undergoes private counseling with his or her assigned counselor, at least twice weekly. A comprehensive drug and alcohol assessment is completed during this orientation month. An individualized treatment plan is developed to coordinate the interdisciplinary requirements of the program. The patient's treatment plan is updated every three months in the first year of treatment, and every six months thereafter. New Patient Orientation group meetings and private individualized counseling twice weekly are required during this orientation month. Dosing and counseling are available at least six hours per day on weekdays, and at least three hours on Saturdays. On Sundays, dosing is available at least three hours and counseling may be provided to accommodate special needs of the patient's schedule.

From the outset of the program, patients receive daily oral doses of a "substitute" medication such as methadone, a synthetic, non-harmful opioid whose effects generally last 24-36 hours. Unlike the other opioids to which the patient is addicted, methadone does not create a "high" or impair mental or bodily function or deteriorate the body physically when properly administered. Methadone's only significant effect is the

positive elimination of the cravings for other types of opioids. This medication replacement therapy, coupled with the prolonged support of counseling and social services, enables patients to resume normal lives. Between 60% and 70% of clinic patients are usually employed (most of the other patients are either disabled, retired, or are homemakers).

After the Medical Director has established an appropriate dosage plan, a clinic nurse administers the patient's methadone orally, each day. After a successful orientation month, compliant patients enter the longer-term maintenance program, which consists of nine phases with increasing responsibilities and increasing privileges for compliant participants. Progress through these phases depends on continuous time in treatment as well as on compliance with several standards of behavior, including maintaining negative (i.e., drug-free) drug screens; abstinence from alcohol; regularly attending the clinic as scheduled; keeping appointments at the clinic and referral agencies; conformity to the clinic's behavioral standards; stability of home and social relationships; and a demonstrated ability to safeguard take-home doses and to ingest them as prescribed by the Medical Director. The privileges earned in moving through the phases include gradual reduction in required counseling from four sessions a month to one per month, and additional take-home doses to reduce the burdens of daily commuting.

During all phases of the maintenance program, the clinic makes unscheduled "call-backs" for patients dosing at home to present at the clinic within 24 hours of notification, to have their medications counted (this assures that the medications are not being diverted for illicit sale or otherwise being administered inappropriately). In addition, both at intake and periodically during treatment, the clinic tests for alcohol consumption.

During all phases of the program, patients who fail to comply with program rules can be discharged or can be returned to earlier "phases" requiring increased attendance, clinic dosing, and more frequent drug screens and counseling--more intensive monitoring and therapy. Rules include: no diversion of the methadone take-home doses (i.e., no stockpiling, selling, or giving away); no attempts to defeat drug screens, no threats of violence; no use of substances of any kind (including alcohol) that are prohibited in the patient's treatment plan; no failures of attendance at required therapies and counseling; no

missing of three consecutive clinic dosing appointments; screenings that document the presence of illicit drugs, or the absence of methadone metabolite; etc. A positive drug test result after the first six months of enrollment requires weekly counseling, immediate revocation of take-home privileges, participation in treatment team meetings, and more intensive levels of care.

Services *provided directly by the clinic* include but are not limited to: individual and group counseling, opioid substitution treatment, long-term opioid medically supervised withdrawal or "MSW" (to wean the patient from methadone), physical examinations, lab tests, urine drug screens, minor medical services and referrals, substance abuse assessments and evaluations, TB testing, vocational counseling, case management, and budgeting. The clinic provides on-site prescriber services of one hour per week for every 35 service recipients. A minimum of 12.5% of the required subscriber services is provided by a physician. Services *arranged by the clinic through subcontracting and referral* will include but will not be limited to the following: HIV testing, residential medical social work, residential A&D care, psychiatry, obstetrics services, comprehensive medical services, dental services, employment counseling and vocational placement, educational/GED assistance, family planning, STD testing, financial counseling, nutritional counseling, and special support programs for pregnant women and women with infants.

3. Results of the Program

A methadone maintenance treatment regimen (stable dose level, active participation in individual and group counseling therapy, establishment of a stable home life and gainful employment) enables a patient to eliminate the use of illicit and harmful opioid drugs--i.e, to be free of drugs *other* than methadone, which is a long-acting replacement medication. It is those *other* drugs that cause harm to the patient and to the patient's community--not methadone that is well-managed by a licensed treatment program.

The word "maintenance" signifies that medication replacement therapy is most often a long-term treatment regimen. Recovery is a lifelong commitment, and the opioid treatment program is a lifelong resource, if needed. Some patients committed to

remaining "drug-free" of *other* drugs attend the program indefinitely; others re-enter treatment upon experiencing relapse, post-discharge. A partial analogy is Alcoholics Anonymous (AA) for alcoholism: a person addicted to alcohol never cures alcoholism but is able to avoid alcohol by faithful participation in the AA program. The percentage of BHG patients who are "opiate positive" drops dramatically as continuous time in maintenance treatment increases.

A February 2002 IDU/HIV monograph entitled "Methadone Maintenance Treatment", funded by the U.S. Center for Disease Control, stated that "most" program enrollees who discontinue methadone maintenance relapse to use of other drugs, and that individuals "may need multiple episodes of treatment over time". That short monograph includes related facts of interest in support of methadone maintenance. It is in the "Miscellaneous" attachment at the end of this application. The monograph's estimate is consistent with others published over many years.

Certainly, many patients leave the treatment program without the need for replacement methadone therapy and remain free of illicit substance use, but it is difficult to track these patients' long-term success or track record. There is no national database on an individual's participation, anymore than AA maintains a national database.



BHG

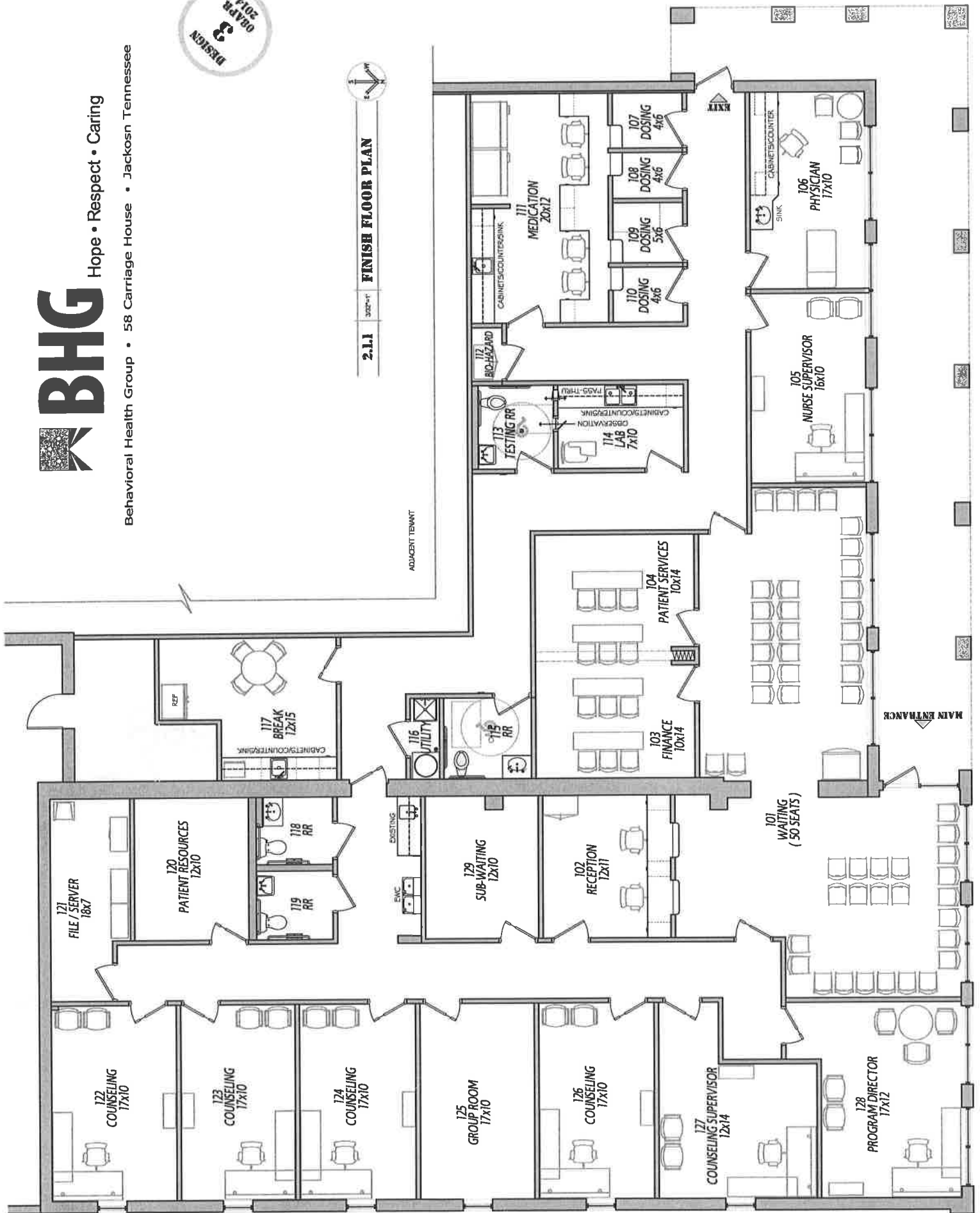
Hope • Respect • Caring

Behavioral Health Group • 58 Carriage House • Jackson Tennessee



2.1.1 FINISH FLOOR PLAN

3/02/14





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Opioid Addiction Treatment Services

Home

Get Treatment

About Us

Addiction 101

Our Approach

Team

Locations

Careers

Resources



Frequently Asked Questions | Opioid Addiction Treatment Services

Q: Who are your patients?

Our patients are those suffering from an addiction to opioid drugs such as OxyContin, Vicodin, Percocet, hydrocodone, Codeine, and morphine. Addiction knows no boundaries and attacks individuals regardless of age, sex, race, profession, social class or ethnicity. Our focus is to help these people live drug-free lives. As their lives change, so do the lives of the people around them. We've seen countless families re-established, watched people go back to the work they love, and most importantly, celebrated as people look at life through the lens of hope and happiness again.

Q: What are opioids?

Opioids – which are also sometimes called Opiates – are a family of drugs that have morphine-like effects, with their primary medical application being pain relief. Doctors and dentists may prescribe opioids to people with acute or chronic pain resulting from disease, surgery, or injury. In addition, some opioids such as methadone and buprenorphine have been found to successfully help treat addiction to other opioids, such as prescription pain pills and heroin.

Q: What types of drug addiction will you treat?

We exclusively focus our efforts on treating opioid addictions (although the services our patients receive meaningfully contribute to their recovery from other substances of abuse as well). Some commonly known opioids are prescription pain medications such as: OxyContin, Vicodin, Percocet, hydrocodone, Codeine and morphine to name but a few. Approximately 85% of our patients are addicted to prescription medications.

Q: What is an opioid addiction?

Opioid addiction is a deep-rooted, relapsing disease of the brain that results from the prolonged effects of intense exposure to the drugs. Opioid addiction creates a compulsive, physical need for continued opioid use. As the person becomes addicted to the drug, they must continue taking it or suffer severe withdrawal symptoms. Seeking and using opioids becomes the primary purpose in the life of the addicted person. Important social, employment, and recreational activities are given up or reduced because of this intense preoccupation.

Q: How do you treat someone with an addiction?

Behavioral Health Group provides opiate addiction treatment services in an outpatient setting. There are two essential aspects to treatment:

Medication-assisted treatment using methadone, the "gold standard" for treating serious opioid addiction, to combat the physical effects of the addiction. The patient's physical addiction must be stabilized first in order to begin effective behavioral therapy.

Behavioral therapy (i.e., counseling) that addresses the psychological dependence to stabilize the patient and provide them with the tools to live drug free. We help individuals develop and utilize the necessary coping skills and resources to make their lifelong road of recovery as successful as possible.

Q: Shouldn't people be able to "just quit?"

Resources

[Inquire about Treatment with BHG](#)

[In the Media](#)

[Helpful Links](#)

[Frequently Asked Questions](#)

[Patient Testimonials](#)

Frequently Asked Questions:

Q: Are your treatment centers regulated?

Highly. Our programs are licensed by both state and federal authorities and are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) and the Joint Commission, the same agency that accredits hospitals nationwide.

[more](#)

Words From Our Patients:

During the past six months Methadone Maintenance Treatment has helped me out a lot. I have been able to accomplish a lot more and save a lot of money. The staff, especially my counselor, has been great about helping me deal with personal issues. This is a great treatment facility and I would not have gone anywhere else.

[more](#)

It is extremely difficult to overcome a drug addiction. Many have tried to "just quit," but unfortunately, typically fail. Because of the physical effects of prolonged drug usage, the body has become chemically dependent on the very thing it should avoid. We have consistently found, and independent research proves, that by combining medication-assisted treatment with extensive behavioral counseling, our programs give people a tremendous opportunity for success.

Methadone maintenance therapy is much like using "The Patch" or nicotine gum to quit smoking. Cigarette smokers are addicted to nicotine. It is exceedingly difficult to quit smoking by going "cold turkey." So, instead, many people use "The Patch" or nicotine gum to regulate and control their nicotine cravings while they learn to live without cigarettes. Eventually, they are weaned off of the nicotine replacement and are able to live completely cigarette- and nicotine-free. Methadone treatment is akin to "The Patch" for persons with opioid dependency. Methadone regulates and controls their cravings while they learn to live without drugs and abandon the harmful lifestyle that accompanies drug use. The only difference between a nicotine addiction and an opioid addiction is the substance abused and the nature of the addiction.

Q: Is methadone safe?

For more than 45 years, methadone has been used to treat opioid addiction. When taken under medical supervision, long-term maintenance causes no adverse effects to the heart, lungs, liver, kidneys, bones, blood, brain, or other vital body organs. Properly administered, methadone produces no serious side effects, although some patients experience minor symptoms such as constipation, water retention, drowsiness, skin rash, excessive sweating, and changes in libido. Once methadone dosage is adjusted and stabilized, however, these symptoms usually subside.

Methadone is a legal medication produced by licensed and approved pharmaceutical companies using established quality control standards. Under a physician's supervision, it is typically administered orally on a daily basis with strict program conditions and guidelines. Importantly, methadone does not impair cognitive functions. It has no adverse effects on mental capability, intelligence, or employability. Properly administered, it is not sedating or intoxicating, nor does it interfere with ordinary activities such as driving a car or operating machinery. Patients are able to feel pain and experience emotional reactions. Most importantly, methadone relieves the craving associated with opioid addiction. While taking methadone as part of a drug treatment program, typical street doses of pain pills and heroin are ineffective at producing euphoria, which in turn reduces the allure of illicitly using opioids and, in so doing, dramatically accelerates the elimination of their use altogether. Ultimately, the stabilized methadone patient is much more receptive to behavioral counseling, which gives him or her a better chance for success.

Q: We don't give alcohol to alcoholics, why give drugs like methadone to someone with an addiction?

If a person has an addiction to drugs, his or her body has become chemically conditioned to expect those drugs. When the body is suddenly deprived of the drugs it is expecting, unconscious physical withdrawal occurs. The physical and emotional effects of withdrawal are typically very severe. During this time, a person has little ability to handle daily life, much less the behavioral counseling that must also occur to achieve and sustain recovery. Thus, methadone medication is used to reduce these symptoms and physically stabilize the body. Once stabilized, we are able to begin working with the patient to treat the behavioral factors that contributed to the addiction in the first place.

Methadone is a highly regulated, prescription medicine used to help temporarily replace the body's craving for opioids. It is very similar to prescribing insulin as a replacement or "substitution" therapy for diabetes patients. Methadone treatment has been used this way for more than 45 years and has helped millions of people on their path to recovery. A stable maintenance dose of methadone does not make our patients feel "high" or drowsy. As a result, our patients can socialize, go to work or school, and otherwise carry on a normal life. Vincent Dole, MD, a pioneer in medication substitution therapy said, "There is absolutely nothing wrong with using crutches if it helps the person get back on his feet and move forward in addiction recovery."

Q: How long does a patient need to stay in treatment?

Extensive research has been conducted in this area. Studies have routinely demonstrated reductions in illicit opioid use of up to 80% or more after several months of medication-assisted treatment with methadone, with the greatest reductions for patients who remain in treatment more than a year. The time in treatment will depend on the length and intensity of the patient's drug abuse and his or her ability to adopt the behavioral changes necessary to break the addiction. Each case is unique, and the decision to stop treatment is made between the patient and his or her treatment team.

Q: Will the methadone you provide attract more drug users to our community?

When methadone is prescribed in our treatment program, it is done so in an extensively controlled environment for only those persons who qualify for treatment. In most cases, it is taken orally on-site, and it is highly managed when on-site or off-site to guard against diversion, abuse, or misuse of the medication. Federal and state regulations require that we closely monitor and manage the distribution of methadone to our patients. We are subject to government inspection at any time.

Q: Should I worry about who is going to the treatment center?

It is the people who are not patients but should be that communities need to worry about. Persons with drug addictions exist in every community, and the addicted individual who does not get treatment is typically the one who makes the evening news. Our patients choose treatment for addiction because they want to get help. They desire to regain their lives; they just need help finding the path.

Q: How are your patients able to function if they are taking methadone?

A stable, maintenance dose of methadone does not make a person feel "high" or drowsy. Our program is designed to help people reduce their dependence on opioids, while providing them with extensive individual and group counseling. Our goal is to help people regain control of their lives as quickly and safely as possible. There have been numerous, well-documented scientific studies that prove methadone treatment has no negative effects on mental capabilities, intelligence, reaction time, and motor functions.

Q: Are your treatment centers regulated?

Highly. Our programs are licensed by both state and federal authorities and are accredited by the Joint Commission, the same agency that accredits hospitals nationwide.

Q: How do your facilities determine the proper prescriptions or dose levels of methadone?

Methadone is a medication, and like all medications, proper dosing is contingent upon the patient's individual needs. Taken orally, methadone is rapidly absorbed from the gastrointestinal tract, appears in plasma 30 minutes after ingestion, and peaks one hour later. Methadone is also widely distributed to body tissues where it is stored and then released into the plasma. This combination of storage and release keeps the patient comfortable by preventing withdrawal. As is the case for any other medication (such as insulin or anti-hypertensives), proper dosing is determined through the doctor-patient relationship, taking into account the patient's medical assessment, individual metabolic needs, and other medical conditions and existing treatments.

Q: Will your treatment center increase crime in our community?

The presence of an Opioid Treatment Program (OTP) is statistically linked with exactly the reverse – i.e., reduced community criminal activity – and decreases in criminal behavior are greater the longer patients are in treatment. The National Institute on Drug Abuse (NIDA) Drug Abuse Treatment Outcome Study found that drug-offense arrests decline because OTP patients reduce or stop buying and using illegal drugs. Arrests for predatory crimes decline because OTP patients no longer need to finance a costly illicit drug addiction and because treatment allows many patients to stabilize their lives and obtain employment. We see this success story played out time and again with our own patients.

Q: Is methadone related in any way to the "meth" that one sees in the news?

Absolutely not. Methadone is in no way related to "meth," which is the nickname for methamphetamine. Methadone is a legal opioid produced by pharmaceutical companies for the relief of pain and for use in the treatment of opioid abuse. Methamphetamine – or "crystal meth" as it is commonly known – is a non-opioid, illegal stimulant and drug of addiction (i.e., "crank" or "speed"). It is typically manufactured in rural areas (or in other countries and imported illegally) in illegal "meth labs." The effects of the two drugs could not be more different. In much the same way that hydrocortisone and hydrocodone have absolutely nothing in common beyond the prefix "hydro" in their name (the former is a topical ointment for allergic reactions and the latter is an opioid), methadone and methamphetamine have nothing in common beyond the first syllable in their names.

Q: Why do we need an opioid treatment facility in this community?

Drug addiction ignores every socio-economic variable and finds its way into all communities. Treating addiction is far less costly than ignoring addiction. Demographic data on patients indicates that the vast majority of patients in treatment have long associations with the community as a person struggling with their disease. It is far better to provide and encourage treatment of the addicted patient than to ignore the problem and live in the community with those untreated. If left untreated, drug use will certainly not go away, and it will impact the community through public health diseases like tuberculosis, sexually transmitted diseases, HIV, and hepatitis. Additional community costs include unpaid emergency room visits, admission to medical and psychiatric facilities, criminal activities of active addicts supporting their addiction, and incarceration.

Q: Are you just substituting one drug for another?

No. Methadone maintenance therapy is much like using "The Patch" or nicotine gum to quit smoking. Cigarette smokers are addicted to nicotine. It is exceedingly difficult to quit smoking by going "cold turkey." So, instead, many people use "The Patch" or nicotine gum to regulate and control their nicotine cravings while they learn to live without cigarettes. Eventually, they are weaned off of the nicotine replacement and are able to live completely cigarette- and nicotine-free. Methadone treatment is akin to "The Patch" for persons with opioid dependency. Methadone regulates and controls their cravings while they learn to live without drugs and abandon the harmful lifestyle that accompanies drug use. The only difference between a nicotine addiction and an opioid addiction is the substance abused and the nature of the addiction.

Methadone is not a substitute "high" or short-acting opioid like heroin or pain pills. Methadone is a long-acting opioid, and it simply relieves the patient's physiological opioid craving. Methadone normalizes the body's metabolic and hormonal functioning that was impaired by the use of illicit opioids. Unlike the disruptive nature of short-acting chemicals on the brain, methadone has long-acting properties that provide metabolic stability. In addition, methadone neutralizes the euphoric effects of other opioids, leaving the patient with little desire to abuse illicit street drugs.

Unlike illicit drug use, when methadone is taken as prescribed, long-term administration causes no adverse effects to the heart, lungs, liver, kidneys, blood, bones, brain, or other vital body organs. Some mild side effects may arise during the initial phase of treatment, but they usually subside or disappear as the patient's dosage is adjusted and stabilized, or when simple medication interventions are initiated.

Q: We already have suboxone clinics in this area – why do we need methadone? Is methadone better than suboxone for treating opioid addiction?

For many individuals, suboxone (buprenorphine plus naloxone) is an effective first-option for opioid addiction treatment, but it does not work for all patients. This treatment modality is very similar to methadone treatment in that it involves the administration of a legal opioid (buprenorphine) to stabilize the biochemistry of the opioid-dependent person. The active ingredient, buprenorphine, is similar to methadone in that it is an opioid pharmaceutical with properties that make it effective for treating opioid addiction.

Suboxone treatment is most typically provided via physician office practices and in OTPs, such as the clinics BHG operates. We offer suboxone in some of our facilities for patients who may want to start with that option. In areas where we do not provide suboxone as an adjunct therapy, we work with non-OTP suboxone providers (who are limited to working only with suboxone in an office-based setting) on a referral basis, as we believe suboxone can be an appropriate first step for less severe forms of opioid addiction.

Importantly, our OTPs are much more highly regulated than the typical non-OTP suboxone practice. This is important, since suboxone – like any opioid – carries with it a potential for diversion, misuse, and overdose. Contrary to some claims, many communities have experienced problems with illicit or "street" forms of suboxone. Our OTPs are also much more comprehensive in terms of the services that are required for patients. Our patients are required to participate in behavioral therapy (counseling) as part of their treatment plan. This is not the case with most suboxone-only providers, who typically offer no such option.

Thus, suboxone can be effective for less serious addictions, but it tends to be less effective as a treatment for persons with more serious and long-term opioid addictions, and it does not work for many patients regardless of their addiction severity. As various authorities and government agencies have noted, "buprenorphine is unlikely to be as effective or more effective than optimal-dose methadone, and therefore may not be the treatment of choice for patients with higher levels of physical dependence on opioids." (U.S. Food and Drug Administration. FDA Talk Paper: Subutex and Suboxone approved to treat opiate dependence.) These studies further conclude that without the close monitoring, psychosocial therapy, and other rehabilitative services provided by OTP clinics, the long-term benefits of buprenorphine/suboxone for many patients must be cautiously considered. We have consistently found that a treatment program must treat both the chemical dependency and the behavioral issues to give persons struggling with addiction the optimal chance for success.

In the end, both methadone and suboxone are highly regarded as effective tools for opioid addiction, and to suggest anything less is to create a false choice between the two that only undermines the needs of patients.

Q: Why is BHG for-profit?

This question could be applied to many different types of healthcare companies. Why are physicians and many hospitals for profit? Why are dialysis centers and insulin manufacturers for profit? Non-profit providers provide an essential role in many health care and social service sectors, but as is true for many healthcare and social services, it is not only appropriate, but preferable, to have for-profit providers as an option for patients, for many reasons:

Higher competitiveness is one reason that the private sector succeeds in healthcare. The private sector is often more efficient (and, thus, lower cost) than the public/non-profit sector. In BHG's case, instead of relying on donations or taxpayer revenue to exist, our treatment facilities must be self-sustaining. As a result, we are very diligent when it comes to site selection and maintaining efficient operations. This also keeps us focused on customer satisfaction and on providing effective, prompt, and courteous service to patients. As a result, patient outcomes and satisfaction scores for private, for-profit entities often surpass those of public or non-profit entities.

In addition, BHG is built to last. If a non-profit or government program runs out of donations or taxpayer revenue, they are forced out of business. As a self-sustaining, for-profit business, we will be able to continue to serve our patients regardless of outside circumstances. We'll be here for our patients as long as they need us.

Q: What services do your OTPs offer?**Healthcare Services**

- Medical histories, annual physical examinations, and blood chemistry analyses.
- Routine drug testing and medical treatment planning for the abuse of alcohol and non-opioid drugs.
- Diagnosis of and referral to other healthcare matters where applicable.
- Testing, treatment / counseling, and education for TB and HIV/AIDS.
- Health awareness, wellness, and nutrition education.

Social and Human Services

- Assessment and individual treatment planning to address psychosocial, substance abuse, and life needs.
- Crisis intervention, supportive counseling, group and family therapy, drug relapse prevention, cultural and gender sensitive support groups, and life skills training.
- Assistance in accessing applicable entitlements, legal advice, financial support, and stable housing.
- Therapeutic community and twelve-step fellowship approaches in confronting alcoholism and abuse of non-opiate substances.

Mental Health Services

- Assessments to identify mental health problems.
- Coordinating the use of other mental health medications for patients (with the patient's non-BHG physician).
- Linkages with resources and colleagues in the mental health community.

Educational and Vocational Services

- Diagnostic skills testing, education/equivalency assistance.
- Help with job finding skills, resume preparation, and patient referrals to training and job placement programs.

Assistance for Children and Families

- Family counseling and parenting education.
- Services to children of patients through "Children of Substance Abusers" (COSA) projects.
- Enhancement of healthy pregnancy outcomes for methadone treated patients.

HIV/AIDS Casework

- HIV counseling, prevention, and risk-reduction education.
- Support groups for persons who are HIV-positive.
- Liaison and advocacy with other agencies involved in delivering health, mental health, housing, and legal services to persons with HIV or AIDS.

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART....

Not applicable.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

The proposed space is in good condition. Only simple renovation and modernization will be required. The estimated \$372,540 renovation cost is only \$70 PSF, to create 5,322 SF of clinic space:

Table One: This Project's Construction Costs			
	Renovation	New Construction	Total Project
Square Feet	5,322 SF	None	5,322 SF
Construction Cost	\$372,540	None	\$372,540
Constr. Cost PSF	\$70	None	\$70

The HSDA Registry does not maintain construction cost comparisons for this type of facility. However, the most recent similar projects approved by the HSDA were two BHG relocations in Memphis. Their costs were as follows:

Table Two: Comparable Projects Recently Approved by HSDA				
CON No.	Project Name	SF of Renovation	Construction Cost PSF	Total Construction Cost
CN1107-027	Memphis Center for Research & Addiction Treatment (BHG)	12,400 SF	\$8.07 PSF	\$100,000
CN1305-019	Raleigh Professional Associates (BHG)	7,350 SF	\$70.00 PSF	\$514,500

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Not applicable.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

1. ADULT PSYCHIATRIC SERVICES
2. ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS
3. BIRTHING CENTER
4. BURN UNITS
5. CARDIAC CATHETERIZATION SERVICES
6. CHILD AND ADOLESCENT PSYCHIATRIC SERVICES
7. EXTRACORPOREAL LITHOTRIPSY
8. HOME HEALTH SERVICES
9. HOSPICE SERVICES
10. RESIDENTIAL HOSPICE
11. ICF/MR SERVICES
12. LONG TERM CARE SERVICES
13. MAGNETIC RESONANCE IMAGING (MRI)
14. MENTAL HEALTH RESIDENTIAL TREATMENT
15. NEONATAL INTENSIVE CARE UNIT
16. NON-RESIDENTIAL METHADONE TREATMENT CENTERS
17. OPEN HEART SURGERY
18. POSITIVE EMISSION TOMOGRAPHY
19. RADIATION THERAPY/LINEAR ACCELERATOR
20. REHABILITATION SERVICES
21. SWING BEDS

Not applicable. The application proposes only to move an existing licensed and accredited facility within the same sector of Jackson, within the same zip code. It does not propose to initiate services.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

The need to relocate the clinic can be stated simply. BHG feels that the proposed relocation is necessary to provide a higher quality physical environment for patients. This licensed outpatient healthcare facility is in a building it has occupied since 1994--for approximately twenty years. The roof has begun to leak water into the clinic during hard rains, and the aging heating and air conditioning have malfunctioned recently. Building improvements and maintenance desired by the applicant have not been scheduled by the building lessor. So the applicant and the building lessor have agreed that the applicant may move to another location.

The area and lease expense for the current and proposed locations are as follows:

Table Three: Comparison of Space and Lease Costs		
	Current Location	Proposed Location
Space Leased	4,900 SF	5,322 SF
Annual Lease Expense	\$59,844 (\$4,987 per mo.)	\$74,508 (\$6,209 per mo.)
Lease Cost PSF	\$12.21 PSF	\$14.00 PSF

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF \$1.5 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):

a. Describe the new equipment, including:

- 1. Total Cost (As defined by Agency Rule);**
- 2. Expected Useful Life;**
- 3. List of clinical applications to be provided; and**
- 4. Documentation of FDA approval.**

b. Provide current and proposed schedule of operations.

2. For mobile major medical equipment:

- a. List all sites that will be served;**
- b. Provide current and/or proposed schedule of operations;**
- c. Provide the lease or contract cost;**
- d. Provide the fair market value of the equipment; and**
- e. List the owner for the equipment.**

3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable; no major medical equipment is proposed.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

- 1. SIZE OF SITE (IN ACRES);**
- 2. LOCATION OF STRUCTURE ON THE SITE;**
- 3. LOCATION OF THE PROPOSED CONSTRUCTION; AND**
- 4. NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.**

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

See Attachment B.III.A.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

The new location is just as accessible to service area counties as the current location. The clinic's current site is within sight of Exit 82 from I-40, the region's largest roadway. This proposed site is accessed via the same interstate exit, but involves driving five minutes east on city streets, for only 1.5 miles.

For patients coming from other directions, not involving I-40, there are excellent Federal and State highways radiating from Jackson in all directions. These include U.S. Highways 45, 412, and 70, and State Road 18.

There is municipal bus service at both the current site and at the proposed site. However, almost all patients come by private vehicle.

Table 4-A below shows the drive times and distances between the county seats of the primary service area counties, and both the current and proposed sites of this clinic. The two sites are both approximately one half-hour average drive time from the major communities in the primary service area.

Table 4-B below shows drive times and distances between the proposed Jackson site and the six other licensed non-residential opiate treatment clinics in West Tennessee. Five of them are BHG facilities. As a group, the other facilities are approximately an hour's average drive time from the Jackson site.

Table Four-A: Mileage and Drive Times From Applicant's Current and Proposed Sites to Major Communities in the Primary Service Area					
County	City	To Proposed Site		To Current Site	
		Miles	Minutes	Miles	Minutes
Chester	Henderson	21.4 miles	30	21.7 miles	28
Crockett	Alamo	20.9 miles	24	19.2 miles	23
Gibson	Humboldt	13.1 miles	18	13.6 miles	17
Gibson	Milan	20.6 miles	27	21.1 miles	27
Henderson	Lexington	26.9 miles	28	28.6 miles	30
Hardeman	Bolivar	31.7 miles	42	31.9 miles	40
Hardin	Savannah	56.2 miles	72	56.4 miles	69
Madison	Jackson (center)	4.5 miles	9	5.0 miles	8
McNairy	Selmer	40.4 miles	49	40.6 miles	47
Average Drive Time			33.2		32.1

Source: Google Maps, April 9, 2014.

Table Four-B: Distances and Drive Times Between Project and Other OTP Clinics in West Tennessee (Listed Below Table)					
Dyersburg	Paris	Savannah	Memphis-1	Memphis-2	Memphis-3
48.0 miles	62.7 miles	57.5 miles	81.1 miles	79.4 miles	72.7 miles
47 minutes	70 minutes	74 minutes	73 minutes	73 minutes	66 minutes

Source: Google Maps, April 9, 2014.

BHG Dyersburg Treatment Center
640 Highway 51 Bypass East, Suite M, Dyersburg TN 38024

BHG Paris Treatment Center
2555 East Wood Street, Paris TN 38242

Solutions of Savannah
85 Harrison Street, Savannah TN 38372

1-BHG Memphis South Treatment Center
3041 Getwell Road, Suite 101, Building A, Memphis TN 38118

2-BHG Midtown Treatment Center
1734 Madison Avenue, Memphis TN 38104

3-BHG Memphis North Treatment Center
2960-B Austin Peay Highway, Memphis 38128 (Licensure Current Address)
2165 Spicer Cove, Suite 9, Memphis TN 38134 (CON Approved New Address)

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY....

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

General Criteria for Change of Site

(4) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, the Agency may consider, in addition to the foregoing factors, the following factors:

(a) *Need.* The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed site.

There is a practical need to move the facility. The applicant has leased space in the building for two decades. The building is aging, and is developing roof leaks and HVAC problems.

The proposed new location is approximately 1.5 miles from the current site, within the same city and zip code (38104), and is accessible from the same I-40 exit that is used by many of this clinic's out-of-town patients. Patients can find it, park, and enter the building easily. The building is in very good condition and is well maintained. Moving to such an improved facility will improve patient experience during this type of care.

(b) *Economic Factors.* The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.

The proposed relocation will have no impact on patient charges for care.

(c) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

The applicant can complete renovation and preparation of the proposed location, while operating the program at its current location. The program will be relocated over a weekend. There will not be disruptive delays in any type of service--either counseling, dosing or testing.

Project-Specific Review Criteria: Non-Residential Methadone Treatment Facilities

Note: These Guidelines requiring the applicant's response are very old Guidelines that pre-date the TDH Commissioner's 2002 Report to the General Assembly on methadone programs. That Report drew on all available expert literature and concerned State agencies and healthcare professionals, and concluded that these Guidelines were obsolete and in need of updating.

Since that time, the Tennessee Department of Mental Health and Substance Abuse Services has assumed responsibility for licensing and strict oversight of methadone programs in Tennessee, through its Methadone Authority office. The General Assembly has recently passed updated legislation addressing these programs, and the Department has recently promulgated detailed, updated rules and regulations that tightly control the quality of the programs. The applicant is owned by a company that is Tennessee's largest provider of OTP services through nine clinics across the State. All are accredited and all comply with Tennessee's high licensing standards.

A non-residential narcotic treatment facility should provide adequate medical, counseling, vocational, educational, mental health assessment, and social services to patients enrolled in the opioid treatment program with the goal of the individual becoming free of opioid dependency.

Complies. The project follows strict rules of the Department of Mental Health and Substance Abuse Services in all the above categories of its operation. As required by State rules, the clinic is medically supervised by a Board-certified physician Medical Director who has extensive experience and expertise in opioid dependency. The program

provides continuous and intensive counseling, support services, and mental health assessments aimed at helping the patient become free of opioid dependency as soon as possible, and to manage life successfully on methadone maintenance, until that time. This includes educational services delivered through the counseling staff and referral to vocational services. The accreditation team found that this program provides good service to its patients.

Need

The need for non-residential narcotic treatment facilities should be based on information prepared by the applicant for CON, which acknowledges the importance of considering demand for services along with need, and addressing and analyzing service problems as well.

Complies. This is an existing program depended on by hundreds of patients a year. It needs to relocate in order to provide an improved and code-compliant physical environment for its patients.

The assessment should cover the proposed service area and include the utilization of existing service providers, scope of services provided, patient origin, and patient mix.

Not applicable. This is a change of site application that does not involve the initiation of a reviewable program or any significant change in the existing program or its enrollment. However, the applicant has provided its historic and projected utilization and data in another section of the application.

The assessment should consider that the users of opiate drugs are the clients at non-residential narcotic treatment facilities, and because of the illegal nature of opiate drug use, data will be based on estimates, actual counts, arrests for drug use, and hospital admittance for drug use.

Not applicable because an area needs assessment is not required for a CON to change sites. In addition, narcotic arrest data is not sufficiently opioid-specific to be of use in an assessment. Data on hospital admissions for drug use not available to an applicant who is not a hospital participating in the THA database project. However, such programs are not designed for long-term outpatient behavioral modification and support through counseling as well as through substitution medication.

The assessment should also include:

- 1. A description of the geographic area to be served by the program;**
- 2. Population of the area to be served;**
- 3. The estimated number of persons, in the described area, addicted to heroin or other opioid drugs and an explanation of the basis of the estimate;**
- 4. The estimated number of persons, in the described area, addicted to heroin or other opioid drugs presently under treatment in methadone and other treatment programs;**
- 5. Projected rate of intake and factors controlling intake;**
- 6. Compare estimated need to existing capacity.**

Not applicable. There is no needs assessment required for a relocation of an existing provider. However, the applicant has provided service area and population data in other parts of this application.

Also, consideration should be given to the reality that existing facilities can expand or reduce their capacity to maintain or treat patients without large changes in overhead.

Not applicable to a change in site application for an OTP facility. It should also be noted that a CON review cannot identify or verify the ability of alternative OTP providers to provide such expansions without large changes in overhead.

Service Area

The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.

Complies. The applicant's proposed service area was defined by recent historical utilization of the applicant's own program.

The relationship of the socio-demographics of the service area and the projected population to receive services should be considered. The proposal's sensitivity to and the responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, and low-income groups.

Complies. Opioid dependency occurs in every adult age group and socio-economic level of our population. There is no particular age group between 20 and 64 that merits special consideration. Older persons rarely enter this program because their

opioid dependencies usually have caused their deaths before age 65; dependent persons typically have 30-40% shorter life expectancies than their peers. For example, in this Jackson facility, only 1% have been 65 years of age or older.

The BHG Jackson Treatment Center programs are open to all of the above-named “special needs” groups. Gender, race, ethnicity, and income are not considered in admission decisions. In a study of the increasing national abuse of pain relief medications from 1994 through 2008, the U.S. Substance Abuse and Mental Health Services Administration stated that *"Increases in percentages of admissions [to hospital ER's] reporting pain reliever abuse cut across age, gender, race/ethnicity, education, employment, and region."* (TEDS Report, July 15, 2010). Admission to this clinic's program is based solely on clinical criteria and the prospective patient's commitment to comply with the requirements of the treatment program (drug testing, counseling, daily purchase and ingestion of prescribed medication, absence of prohibited substances in the blood, consent to coordinate care, etc.).

It should be noted that to be eligible to enter opioid treatment programs, all persons must be found to be opioid-dependent for more than a year. This means that the vast majority of opioid-dependent persons have been actively purchasing illicit drugs (that are four to six times more expensive) on the street. Switching to structured replacement therapy with methadone or buprenorphine reduces their expenses (unless the commute to the clinic imposes such steep transportation expenses that then offset those savings). Thus, having a private-pay program is not a barrier to care; and it is the norm in Tennessee programs. Users tend to have sufficient incomes to afford this program. That seems to be why Tennessee State Government declines to help TennCare-eligible adults over 20 years of age pay for methadone maintenance in a State-approved program, although it licenses and strictly regulates those programs.

Relationship to Existing Applicable Plans

The proposal's estimate of the number of patients to be treated, anticipated revenue from the proposed project, and the program funding source with description of the organizational structure of the program delineating the person(s) responsible for the program, should be considered.

Complies. The projection is consistent with current and historical utilization trends of the facility that seeks to relocate. All facility revenue is private pay. The project funding will come from the applicant LLC. The structure of the program is detailed in the Program Summary.

The persons responsible on a daily basis for the program's operation will be the Program Director. BHG's Regional Director and a Director of Quality Compliance and Assurance will continually monitor the facility and Director and assist as needed.

The proposal's relationship to policy as formulated in local and national plans, including need methodologies, should be considered.

Complies. The applicant does not know of a formal "need methodology" either locally or nationally. In Tennessee, however, the 2002 Commissioner's Report has been the de facto State policy guide regarding the need for OTP's, and it calls for Statewide distribution of licensed OTP's at convenient locations within an hour's drive time of patients. Federal agencies consistently endorse regulated opioid treatment programs as the most effective means of dealing with the major national problem with opioid dependency.

This project simply allows an existing, accredited, licensed program to continue in operation after moving to a location nearby.

The proposal's relationship to underserved geographic areas and underserved population groups, as identified in local plans and other documents, should be a significant consideration.

Not applicable. The change of site is not subject to review as to need.

The impact of the proposal on similar services supported by State appropriations should be assessed and considered.

There are no similar facilities in the service area that are supported by State appropriation. No Tennessee OTP programs will be adversely impacted by this proposed change of site of an existing OTP facility.

The applicant has no means of identifying project impact on the treatment of opioid dependents who are admitted to residential programs in hospitals or other facilities who might be covered by TennCare or Medicare. However, these inpatient programs are much more expensive than licensed nonresidential OTP's operated by this applicant.

The degree of projected financial participation in the Medicare and TennCare programs should be considered.

The applicant will not contract with Medicare or TennCare because so few patients aged 65+, and so few eligible TennCare enrollees 18-20 years of age (18 is the minimum age for the clinic and 20 is the maximum age for TennCare) seek enrollment for treatment. However, both groups will be served on a private pay basis and TennCare patients aged 18-20 are eligible to claim reimbursement from their MCO's. See Section A.13 for a more complete discussion.

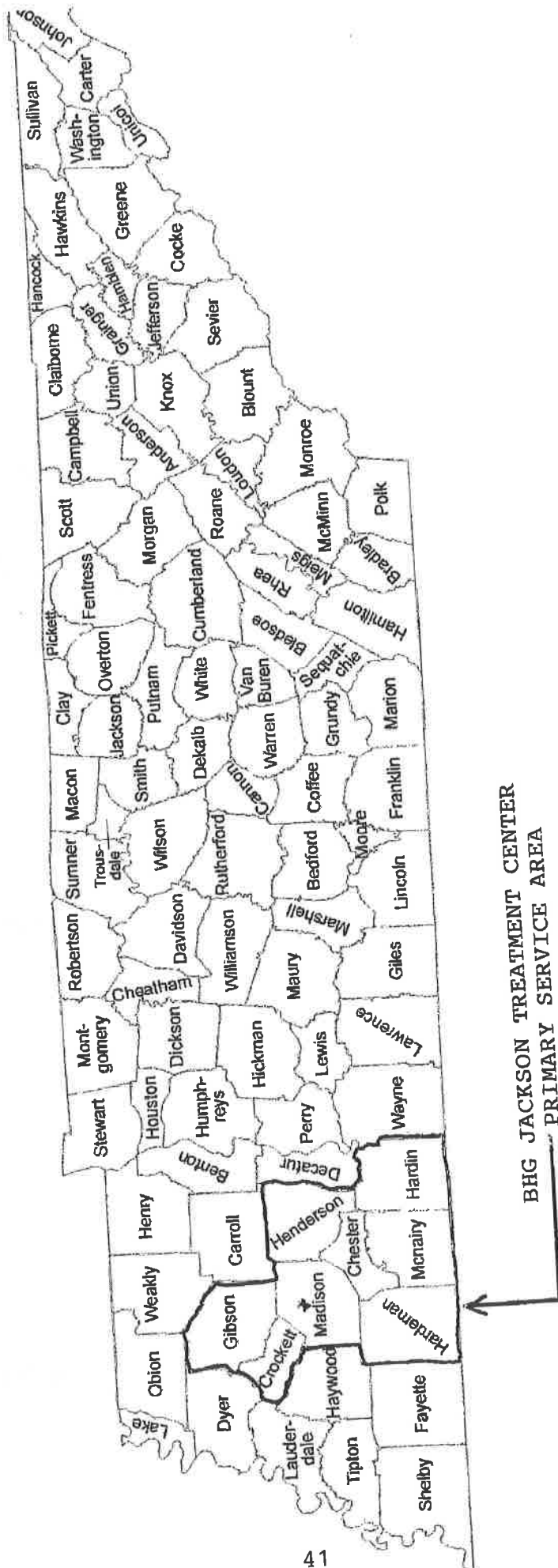
C(1).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

In CY2013, BHG Jackson Treatment Center had a primary service area of eight counties encircling Jackson. They were Chester, Crockett, Gibson, Henderson, Hardeman, Hardin, Madison, and McNairy Counties. Those counties contributed approximately 79% of total Clinic patients; no other county contributed as much as 1.5% of the total. Madison County alone contributed approximately 41% of all patients. The secondary service area, which contributed approximately 11% of the patients, consisted of 20 other Tennessee counties and communities in 6 other States. The applicant does not project any change in its eight-county primary service area or this most recent patient origin data, in the foreseeable future.

Table Five, following this page, provides the CY2013 (July-Dec) patient origin data by county. A service area map showing the location of the service within the State of Tennessee is provided after the Table and also in Attachment C, Need--3 at the back of the application, along with city maps illustrating the proximity of the current and proposed locations.

Table Five: BHG Jackson Patient Origin 7-1-13 through 12-31-13					
County	PSA or SSA	Patients	Cumulative Patients	County %	Cumulative %
Madison	PSA	171	171	41.1%	41.1%
Chester	PSA	33	204	7.9%	49.0%
McNairy	PSA	33	237	7.9%	57.0%
Gibson	PSA	28	265	6.7%	63.7%
Henderson	PSA	21	286	5.0%	68.8%
Hardin	PSA	19	305	4.6%	73.3%
Hardeman	PSA	12	317	2.9%	76.2%
Crockett	PSA	10	327	2.4%	78.6%
Decatur	SSA	6	333	1.4%	80.0%
Lauderdale	SSA	6	339	1.4%	81.5%
Dyer	SSA	5	344	1.2%	82.7%
Haywood	SSA	5	349	1.2%	83.9%
Henry	SSA	5	354	1.2%	85.1%
Bedford	SSA	4	358	1.0%	86.1%
Carroll	SSA	4	362	1.0%	87.0%
Obion	SSA	4	366	1.0%	88.0%
Benton	SSA	3	369	0.7%	88.7%
Fayette	SSA	3	372	0.7%	89.4%
Weakley	SSA	3	375	0.7%	90.1%
Coffee	SSA	2	377	0.5%	90.6%
Humphreys	SSA	1	378	0.2%	90.9%
Knox	SSA	1	379	0.2%	91.1%
Lake	SSA	1	380	0.2%	91.3%
Perry	SSA	1	381	0.2%	91.6%
Shelby	SSA	1	382	0.2%	91.8%
Sumner	SSA	1	383	0.2%	92.1%
Wayne	SSA	1	384	0.2%	92.3%
Wilson	SSA	1	385	0.2%	92.5%
Wilson	SSA	1	386	0.2%	92.8%
Other States	SSA	30	416	7.2%	100.0%

Source: Clinic records. Unshaded counties constitute the Primary Service Area.



C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

This rural West Tennessee healthcare facility primarily serves the adult population, 18-64 years of age. It does not accept patients below the age of 18; and it only rarely is asked to serve an elderly patient of Medicare age.

See Table Six on the following page for demographic trends in the primary service area population, compared to the statewide population.

The table shows that in the eight-county primary service area and the State of Tennessee, the populations aged 18-64 will increase 0.4% and 2.5% respectively, between 2014 and 2018. This working-age adult cohort now constitutes approximately 60.6% of the total population of the primary service area. That percentage will show a negligible decline to 60.0% between now and 2018.

The service area has slightly lower poverty rates than the State: 15.9% compared to 17.3%. But a higher percent of the primary service area population is in TennCare: 21.7% compared to 18.4% Statewide.

Table Six: Demographic Characteristics of Primary Service Area--Age Cohorts 18-64, 65+, All Ages BHJ Jackson Treatment Center 2014-2018										
Demographic	CHESTER County	CROCKETT County	GIBSON County	HARDEMAN County	HARDIN County	HENDERSON County	MADISON County	MCNAIRY County	TENNESSEE PSA	STATE OF TENNESSEE
Median Age-2010 US Census	36.2	39.6	39.9	39.2	43.5	39.7	36.8	41.6	32	38.0
Total Population-2014	17,472	14,596	51,102	26,359	26,012	28,186	99,555	26,582	289,864	6,588,698
Total Population-2018	17,999	14,683	52,163	26,067	26,244	28,631	101,001	27,299	294,087	6,833,509
Total Population-% Change 2014 to 2018	3.0%	0.6%	2.1%	-1.1%	0.9%	1.6%	1.5%	2.7%	1.5%	3.7%
Age 65+ Population-2014	2,749	2,550	8,788	4,230	5,397	4,737	14,350	5,064	47,865	981,984
% of Total Population	15.7%	17.5%	17.2%	16.0%	20.7%	16.8%	14.4%	19.1%	16.5%	14.9%
Age 65+ Population-2018	2,926	2,644	9,211	4,550	5,832	5,232	15,838	5,465	51,698	1,102,413
% of Total Population	16.3%	18.0%	17.7%	17.5%	22.2%	18.3%	15.7%	20.0%	17.6%	16.1%
Age 65+ Population-% Change 2014-2018	6.4%	3.7%	4.8%	7.6%	8.1%	10.4%	10.4%	7.9%	8.0%	12.3%
Age 18-64 Population-2014	10,875	8,533	30,026	16,881	15,275	16,976	61,626	15,596	175,788	4,101,723
% of Total Population	62.2%	58.5%	58.8%	64.0%	58.7%	60.2%	61.9%	58.7%	60.6%	62.3%
Age 18-64 Population-2018	11,169	8,648	30,782	16,461	15,093	17,160	61,248	15,884	176,445	4,204,944
% of Total Population	62.1%	58.9%	59.0%	63.1%	57.5%	59.9%	60.6%	58.2%	60.0%	61.5%
Age18-64 Population-% Change 2014-2018	2.7%	1.3%	2.5%	-2.5%	-1.2%	1.1%	-0.6%	1.8%	0.4%	2.5%
Median Household Income	\$42,097	\$37,601	\$36,981	\$31,963	\$33,044	\$37,784	\$42,348	\$33,066	\$36,860.50	\$44,140
TennCare Enrollees (12/13)	3,355	3,456	11,111	6,058	6,164	5,963	20,076	6,714	62,897	1,211,113
Percent of 2014 Population Enrolled in TennCare	19.2%	23.7%	21.7%	23.0%	23.7%	21.2%	20.2%	25.3%	21.7%	18.4%
Persons Below Poverty Level (2012)	2,953	2,802	9,505	6,063	5,775	4,933	18,219	6,247	56,495	1,139,845
Persons Below Poverty Level As % of Population (US Census)	16.9%	19.2%	18.6%	23.0%	22.2%	17.5%	18.3%	23.5%	15.9%	17.3%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts and Factfinder2;
TennCare Bureau. PSA data is unweighted average or total of county data.
NR means not reported in U.S. Census source document.

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

Opioid addiction is found in all ages and socioeconomic and ethnic groups. The services of this facility are, and will continue to be, provided to all members of the above groups who qualify medically and who accept the disciplines of the program.

Financial accessibility is broadly assured, and better than other alternatives, because the monthly costs of obtaining substitution medications in a structured program like this are significantly lower than the same patients had been paying in cash for access to illicitly sold pharmaceuticals "on the street".

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.

The applicant is one of only two State-licensed OTP facilities in rural West Tennessee. The other OTP facility in the primary service area is Solutions of Savannah. The applicant has not been able to obtain its utilization data from the Department of Mental Health and Substance Abuse Services, as of the date of this application.

C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

The applicant's utilization for the past three years is shown in the table below. The statistics provided are those presented by BHG in its recently approved CON applications to relocate two BHG clinics within the Memphis area. Patients who have been demonstrated compliance with the program are permitted limited and carefully monitored home dosing, as described in an earlier part of the application. "Encounters" is an estimate of annual medication administered to the recorded average daily census during each year.

Table Seven-A: Utilization of BHG Jackson Treatment Center 2011-2013			
Utilization Statistic	2011	2012	2013
Average Daily Patient Census for the Year	NA	298	290
Encounters (Doses) During the Year	NA	108,770	105,850

Source: BHG Jackson management.

BHG Jackson Treatment Center projects maintaining level utilization during the next three years; an average daily patient census of 295 patients is projected for each of the next three years, 2014 through 2016, consistent with early 2014 experience.

Table Seven-B: Projected Utilization of BHG Jackson Treatment Center 2014-2016			
	2014	2015	2016
Average Daily Census for the Year	295	295	295
Encounters (Doses) During the Year	107,675	107,675	107,675

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

- **ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST \$3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.**

- **THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.**

- **THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.**

- **FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.**

The architect's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1. On the Project Costs Chart, following this response:

Line A.1, A&E fees, were estimated by BHG management.

Line A.2, legal, administrative, and consultant fees, include a contingency for expenses of dealing with potential opposition in hearings, as well as for legal costs of negotiating agreements for space and services.

Line A.5, construction cost, was estimated by BHG development staff, based on preliminary drawings, inspection of the building site, and current experience with similar projects.

Line A.6, contingency, was estimated at 5% of construction costs in line A.5.

Lines A.8 provides for an allowance for new equipment and furnishings for the expanded space.

Line A.9 includes such costs as information systems and telecommunications installations.

Line B1 is the lease outlay for the space during the first term of the lease (10.5 years). It exceeds the fair market value calculation for the space. Please see the spreadsheet calculations attached after the Project Cost Chart.

PROJECT COSTS CHART -- BHG JACKSON CHANGE OF SITE

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	8% of A5	\$	29,803
2. Legal, Administrative, Consultant Fees (Excl CON Filing)			50,000
3. Acquisition of Site			0
4. Preparation of Site			0
5. Construction Cost	5,322 SF @ \$70 PSF		372,540
6. Contingency Fund	5% of A5		18,627
7. Fixed Equipment (Not included in Construction Contract)			0
8. Moveable Equipment (List all equipment over \$50,000)			35,000
9. Other (Specify)	IT, telecomm, misc.		20,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	10-yr lease outlay	745,080
2. Building only		0
3. Land only		0
4. Equipment (Specify)		0
5. Other (Specify)		0

C. Financing Costs and Fees:

1. Interim Financing	0
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify)	0

D. Estimated Project Cost (A+B+C)

1,271,050

E. CON Filing Fee

3,000

F. Total Estimated Project Cost (D+E)

TOTAL \$ 1,274,050

Actual Capital Cost 528,970
Section B FMV 745,080

BHG Jackson Lease Outlay Calculation (126 mo).; 6 mos. Free)			
Lease Year	Mo. Of Rent	Rent/Month	Outlay
1.0	6.00	\$6,209.00	\$37,254.00
2.0	12.00	\$6,209.00	\$74,508.00
3.0	12.00	\$6,209.00	\$74,508.00
4.0	12.00	\$6,209.00	\$74,508.00
5.0	12.00	\$6,209.00	\$74,508.00
6.0	12.00	\$6,209.00	\$74,508.00
7.0	12.00	\$6,209.00	\$74,508.00
8.0	12.00	\$6,209.00	\$74,508.00
9.0	12.00	\$6,209.00	\$74,508.00
10.0	12.00	\$6,209.00	\$74,508.00
11.00	6.00	\$6,209.00	\$37,254.00
		Total	\$745,080.00

Lease Yr = Mar-Feb; starts Mar 1, 2013

ADC FMV Calculation		
Leasehold SF		5,322.00
Building SF		10,137.00
% Leased		52.5%
Bldg FMV		\$575,000.00
Leasehold FMV		\$301,879.25

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

 A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

 B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

 C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

 D. Grants--Notification of Intent form for grant application or notice of grant award;

 x **E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or**

 F. Other--Identify and document funding from all sources.

Attachment C, Economic Feasibility--2, contains a financing commitment letter from senior management of BHG, the applicant's parent, and documentation that there are sufficient resources to fund the project.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

The space to be leased is in good condition. The estimated \$372,540 renovation cost is \$70 PSF, to create 5,322 SF of clinic space.

The HSDA Registry does not maintain construction cost comparisons for this type of facility. However, the most recent similar projects approved by the HSDA were two BHG relocations in Memphis. Their costs were as follows:

Table Eight: Comparable Projects Recently Approved by HSDA				
CON No.	Project Name	SF of Renovation	Construction Cost PSF	Total Construction Cost
CN1107-027	Memphis Center for Research & Addiction Treatment (BHG)	12,400 SF	\$8.07 PSF	\$100,000
CN1305-019	Raleigh Professional Associates (BHG)	7,350 SF	\$70.00 PSF	\$514,500

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following pages for these charts, with notes where applicable.

HISTORICAL DATA CHART -- BHG JACKSON TREATMENT CENTER
(CY2011 NOT AVAILABLE; FACILITY WAS UNDER OTHER OWNERSHIP)

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

	Year 2011	Year 2012	Year 2013
	Na	298	290
Patients (ADC)			
A. Utilization Data			
B. Revenue from Services to Patients			
1. Inpatient Services	\$ Na		1,482,883
2. Outpatient Services		1,447,494	
3. Emergency Services			
4. Other Operating Revenue			
(Specify) <u>See notes page</u>			
Gross Operating Revenue	\$ Na	\$ 1,447,494	\$ 1,482,883
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$	-	-
2. Provision for Charity Care		21,712	22,243
3. Provisions for Bad Debt		36,187	37,072
Total Deductions	\$	\$ 57,900	\$ 59,315
NET OPERATING REVENUE	\$	\$ 1,389,595	\$ 1,423,568
D. Operating Expenses			
1. Salaries and Wages	\$	622,943	509,740
2. Physicians Salaries and Wages		56,373	71,593
3. Supplies		47,849	55,797
4. Taxes		60,719	44,598
5. Depreciation		224,038	226,348
6. Rent		59,844	59,844
7. Interest, other than Capital		-	-
8. Management Fees		-	-
a. Fees to Affiliates		-	-
b. Fees to Non-Affiliates		-	-
9. Other Expenses (Specify) <u>See notes page</u>		221,431	203,646
Total Operating Expenses	\$	\$ 1,293,197	\$ 1,171,566
E. Other Revenue (Expenses) -- Net (Specify)	\$	\$	\$
NET OPERATING INCOME (LOSS)	\$	\$ 96,398	\$ 252,002
F. Capital Expenditures			
1. Retirement of Principal	\$	-	-
2. Interest		-	-
Total Capital Expenditures	\$	\$ -	\$ -
NET OPERATING INCOME (LOSS)	\$	\$ 96,398	\$ 252,002
LESS CAPITAL EXPENDITURES	\$	\$ 320,436	\$ 478,350
NET OPERATING INCOME (LOSS) LESS NONCASH EXP.	\$	\$	\$

<u>Category of Expense</u>	<u>2012</u>	<u>2013</u>
<u>Insurance</u>		
Insurance	\$ 6,810	\$ 8,353
Liability & Contents	2,264	5,179
Workers Compensation	22,354	19,443
Employee Health/Dental/Vision	4,044	6,028
401k	27,726	22,870
Lab Fees	14,455	17,590
Maintenance	378	140
Training & Education	37,865	29,668
Security	6,273	5,181
Licenses & Permits	16,195	13,879
Office Expense	22,721	12,363
Utilities	17,015	19,997
Telecommunications	8,458	14,393
Practice Management Software	34,873	28,562
Miscellaneous	-	-
Corporate Overhead Allocation		
Total	\$ 221,431	\$ 203,646

PROJECTED DATA CHART-- BHG JACKSON TREATMENT CENTER

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		CY 2015	CY 2016
	Encounters	107,675	107,675
A.	Utilization Data	295	295
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$	
2.	Outpatient Services	1,534,000	\$ 1,564,680
3.	Emergency Services	-	-
4.	Other Operating Revenue (Specify) <u>See notes page</u>	-	-
	Gross Operating Revenue	\$ 1,534,000	\$ 1,564,680
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ -	\$ -
2.	Provision for Charity Care 1.5%	23,010	23,470
3.	Provisions for Bad Debt 2.5%	38,350	39,117
	Total Deductions	\$ 61,360	\$ 62,587
	NET OPERATING REVENUE	\$ 1,472,640	\$ 1,502,093
D.	Operating Expenses		
1.	Salaries and Wages	\$ 554,621	\$ 574,033
2.	Physicians Salaries and Wages	104,000	108,160
3.	Supplies	56,913	57,767
4.	Taxes	45,713	46,627
5.	Depreciation	22,092	22,092
6.	Rent	60,000	60,000
7.	Interest, other than Capital	-	-
8.	Management Fees		
a.	Fees to Affiliates	-	-
b.	Fees to Non-Affiliates	-	-
9.	Other Expenses (Specify) <u>See notes page</u>	169,827	180,744
	Dues, Utilities, Insurance, and Prop Taxes.		
	Total Operating Expenses	\$ 1,013,166	\$ 1,049,423
E.	Other Revenue (Expenses) -- Net (Specify)	\$ -	\$ -
	NET OPERATING INCOME (LOSS)	\$ 459,474	\$ 452,670
F.	Capital Expenditures		
1.	Retirement of Principal	\$ -	\$ -
2.	Interest	-	-
	Total Capital Expenditures	\$ -	\$ -
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ 459,474	\$ 452,670
	NET OPERATING INCOME (LOSS) LESS NONCASH EXP.	\$ 481,566	\$ 474,762

<u>Category of Expense</u>	<u>2015</u>	<u>2016</u>
<u>Insurance</u>		
Insurance		
Liability & Contents	\$ 8,500	\$ 8,750
Workers Compensation	6,215	5,904
Employee Health/Dental/Vision	20,804	21,532
401k	6,628	7,228
Lab Fees	23,000	23,000
Maintenance	7,500	12,500
Training & Education	2,000	2,000
Security	1,380	1,380
Licenses & Permits	5,400	5,400
Office Expense	13,200	13,800
Utilities	10,200	10,800
Telecommunications	20,000	20,700
Practice Management Software	15,000	15,750
Miscellaneous	30,000	32,000
Corporate Overhead Allocation	-	-
Total	\$ 169,827	\$ 180,744

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Nine: BHG Jackson Treatment Center Projected Charge Data for Years One and Two		
	Year One	Year Two
Patients (Average Daily Census)	295	295
Average Gross Charge Per Patient	\$5,200	\$5,304
Average Deduction from Operating Revenue	\$208	\$212
Average Net Charge (Net Operating Revenue)	\$4,992	\$5,092

It is not possible to identify the average length of stay and average patient charge per program completion. Opioid treatment programs have varying lengths of stay and "completion" is not a concept applicable to all patients. Addiction has physical and psychological dimensions. Methadone addresses the physical addiction. In some cases it can allow brain receptors to begin operating more normally in 12 to 16 months. Its efficacy depends on how long the patient's addiction has existed, and the amounts and types of substances abused, prior to beginning treatment. If the patient's addiction has existed for years, brain receptors may be sufficiently altered such that lifetime medication maintenance is needed. Moreover, the psychological dimensions of addiction, reinforced by the patient's environment, often take a long time to deal with. Failure to progress in that area can lead to the resumption of addictive behavior. BHG encourages every patient to achieve and maintain sobriety--whether that be while maintaining maintenance with methadone, or after tapering off a daily medication maintenance regimen. While some patients do successfully taper off replacement medication, many patients find they need to be in a program indefinitely and are high functioning (drug and disease free) while remaining in treatment. BHG's analysis of its patients in 2010 indicated that 65% of them had been enrolled for more than one year, and 35% had been enrolled for a year or less. No other historical information is available. Some patients leave the program after a period of time for undisclosed reasons making it difficult to learn if a patient has moved to another similar clinic or a different type of treatment (e.g., inpatient treatment or intensive outpatient counseling).

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

With respect to the charge per dose for methadone itself, there is not a separate charge per dose. The clinic's weekly or daily charge its patients includes all medications, unlimited individual and group counseling sessions, unlimited physician visits (Medical Director), laboratory tests as needed, case management of medical issues, assistance with daily life activities, job searches, and educational opportunities. In all OTP clinics, each patient's annual charges vary with the amount of counseling and testing required by his or her individual treatment plan. Below is a comparison of BHG's current weekly charge at each of its Tennessee facilities as of today. The current detailed fee/charge schedule for the applicant is provided following this page.

NEED THIS UPDATED	<u>Current Routine Weekly Charge*</u>
BHG Memphis South Treatment Center	\$98
BHG Memphis Mid-town Treatment Center	\$98
BHG Memphis North Treatment Center	\$98
BHG Jackson Treatment Center	\$98
BHG Paris Treatment Center	\$98
BHG Dyersburg Treatment Center	\$84
BHG Columbia, TN Treatment Center	\$91
BHG Nashville Treatment Center	\$109
BHG Knoxville Bernard Treatment Center	\$116
BHG Knoxville Citico Treatment Center	\$116

** The standard "weekly charge" is a uniform per-patient charge covering the routine services to each patient. It does not include individually incurred charges for such things as positive drug screens, annual physicals, replacement ID cards, or bottle services.*

BHG increases its weekly program fee approximately \$3.00-\$4.00 every one to two years. That increase goes into effect each summer. Other charges listed in the following schedule are non-routine charges. The relocation of this program will not increase the charge structures of the program.

FEES AND CHARGES, 2014 BHG JACKSON TREATMENT CENTER					
Admission 1	\$ 60.00		Positive Klonopin Test		\$ 18.00
Admission 2	\$ 72.00		Late Dosing Fee		\$ 20.00
After Hours Dose >1hr	\$ 25.00		Late Dosing Fee <1 hour		\$ 10.00
Annual Physical	\$ 30.00		Lipid Panel		\$ 9.00
Appointment No Show Fee	\$ 20.00		Lockbox		\$ 20.00
Ativan Test Positive	\$ 18.00		Lost Medication Bottle/Bag Fee		\$ 5.00
BloodTest Peak	\$ 18.00		Methadone Medication Fee wkly		\$ 98.00
Bloodtest Trough	\$ 18.00		Negative Follow up Drug Tests		\$ 6.00
GCMS Confirmation Drug Test	\$ 12.00		No Show Drug Tests		\$ 6.00
Employment Drug Test	\$ 20.00		OnSite Verification Drug Screen		\$ 8.00
Positive Fentanyl Test	\$ 60.00		Oral Swab OnSite/ lab confirmation		\$ 8.00
Flu Vaccination	\$ 20.00		Outgoing Guest Dose Set-up BHG		\$ 15.00
Group Aftercare Counseling	\$ 25.00		Positive Oxycodone Test		\$ 8.00
Guest Dose Daily Non-BHG Pt	\$ 15.00		Positive Drug Test		\$ 6.00
Guest Dose Set-up Non BHG Pt	\$ 25.00		Pregnancy Test Fee		\$ 7.00
Guest Dose Drug Screen	\$ 20.00		Re-Admission Fee		\$ 30.00
Hepatitis B Test	\$ 15.00		Re-Admission Fee <90 days		\$ 15.00
Hepatitis B Vaccination Series	\$ 90.00		Record Request per page		\$ 1.00
Hepatitis C Test	\$ 21.00		Replacement Dose		\$ 15.00
HIV Test	\$ 11.00		Replacement ID Card		\$ 5.00
Incoming Guest Dose Set Up	\$ 15.00		Returned Check Fee		\$ 25.00
Individual AfterCare Counseling	\$ 50.00		Positive Soma Test		\$ 16.00
Jail/ Hospital Dosing Fee	\$ 13.57		Special Exception Requests		\$ 25.00
Jail/ Hospital Mileage Reimbursment	\$ 0.50		Suboxone/Subutex First Mo. Fee		\$ 200.00
Jail/Hospital Set-up Fee	\$ 20.00		Suboxone/Subutex Monthly Fee		\$ 175.00
			pos. Tricyclic Antidepressants Test		\$ 16.00
			V19 Facility Dosing Fee Wkly		\$ 98.00
			Vitadone		\$ 25.00

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

As demonstrated above, the charges for the applicant are, and will remain, generally comparable to those of the other nine BHG facilities in Tennessee.

The Medicare allowable data is not relevant because this facility does not contract with Medicare for reimbursement.

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

This clinic is operational, with a well-established patient base. The applicant's projection of its utilization is conservative, at levels currently being experienced. The proposed relocation will not adversely impact the facility's overall utilization.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

This clinic has been operating for many years with a positive cash flow. It has been, and will remain, financially viable with a positive cash flow. Its relocation to improved space will not adversely affect its viability.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

The applicant does not anticipate contracting for TennCare or Medicare reimbursement for services, for reasons explained in section A.13 of the application. This operating model is true for all State-licensed opioid treatment programs. Almost no Medicare-age patients apply to these programs. Few TennCare enrollees of a qualified age (ages 18-20) apply for admission.

BHG does provide charitable care in the form of scholarships. Under those arrangements, medical care is provided to the patient free of charge, or at a reduced fee, for periods up to six months. Scholarships are evaluated on a case-by-case basis and awarded to approximately 1%-2% of enrollees.

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

If this provider's patients are to have the benefit of improved accessibility, parking, efficiency, and professional surroundings, relocation to new leased space is the only option.

The particular location was chosen after an extensive search of the nearby community. It appears to be the best available option for the relocation. The lease cost reflects market conditions. The applicant has avoided the high costs of new construction by selection of an existing building for renovation.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

The applicant has no contractual relationships with the facilities and organizations mentioned above. The applicant does not "discharge" patients to any other type of licensed facility. The applicant is not part of any health care alliance or network.

With respect to emergency transfer agreements, an emergency transfer agreement is not a licensure or accreditation requirement for this type of clinic, because the applicant's visiting patients are not ill, injured, or at risk for any type of medical emergency, any more than they would be in a visit to a private physician office or a pharmacy.

This clinic has had only one emergency transfer to a hospital in the past three years. It was completed without issues due to the excellent capabilities of the local emergency response network.

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

A relocation such as this is necessary to provide an improved care environment for a group of ambulatory patients who must come onto the premises daily or weekly for years. That can only be a positive thing. It has no negative aspects whatsoever.

This is a type of program that is authorized by the General Assembly, and carefully regulated by the Department of Mental Health and Substance Abuse Services. The DMHSAS regulations revised in 2012 are 44 pages long (TCA Chapter 0940-5-42.1 to 42.29). The facility cares for a needy patient population for whom there is no satisfactory alternative form of care. These are patients attempting to cope with life-destroying addictions. This substitution-based program makes it possible for them to stop the physical and mental deterioration that accompanies illicit opioid use, and to resume normal activities and responsibilities in their families, workplaces, and communities. It increases public safety.

Competitive factors with other licensed providers are not an issue. This program, and the other two in the service area, are all operated by BHG.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for a chart of projected FTE's and salary ranges.

The Department of Labor and Workforce Development website indicates the following Jackson area annual salary information for clinical employees of the type employed in this project:

Table Ten: TDOL July 2013 Survey of Average Salaries Madison County Area				
Position	Entry Level	Median	Mean	Experienced
Licensed Practical Nurse	\$25,990	\$32,160	\$32,450	\$35,670
Substance Abuse Counselor	\$24,200	\$33,100	\$34,680	\$39,920

Table Eleven: BHG Jackson Treatment Center Staffing Requirements Current and Proposed Locations				
Position Type (RN, etc.)	Current FTE's	Year One FTE's	Year Two FTE's	Proposed Annual Salary Range
Medical Director	Contract	Contract	Contract	
Program Physician	Contract	Contract	Contract	
Program Director	1	1	1	\$39,000-\$40,000
Nurses (LPN)	3	3	3	\$33,250-\$39,000
Counselors	4	4	4	\$25,000-\$41,000
Administrative (Filing Clerk)	1	1	1	\$15,000-\$16,000
Counseling Supervisor	1	1	1	\$34,700-\$41,300
Medical Assistant/Phlebotomist	2	2	2	\$19,600-\$24,500
Total FTE's	12	12	12	Medical Director Included

Notes:

1. Program Director and Counseling Supervisor are salaried employees.

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

This is an existing clinic that already meets rigorous State TDMH licensure standards; its relocation within the community will not affect its human resources or its program content. The project requires no addition of staff.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

The applicant does not have training relationships with area health professional schools. However, BHG as a company requires all staff to complete one to two trainings per month through "BHG University" professional courses. These are in addition to compliance trainings pursuant to regulatory agencies.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE: Tennessee Department of Mental Health and Substance Abuse Services
Drug Enforcement Administration (Registered Controlled Substance Certificate)

CERTIFICATION: The applicant is not certified for Medicare or Medicaid. Opioid Treatment Program certification by CSAT, in SAMSHA, in U. S. Department of Health and Human Services. (HHS).

ACCREDITATION: Joint Commission

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Department of Mental Health and Substance Abuse Services, and holds a three-year Joint Commission accreditation. It has certification as an opioid treatment program, by the Center for Substance Abuse Treatment (CSAT), a branch of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the U.S. Department of Health and Human Services (USDHHS).

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

August 27, 2014

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	7	August 2014
2. Construction documents approved by TDH	17	September 2014
3. Construction contract signed	18	September 2014
4. Building permit secured	25	September 2014
5. Site preparation completed	NA	NA
6. Building construction commenced (renovation)	32	October 2014
7. Construction 40% complete	53	October 2014
8. Construction 80% complete	76	November 2014
9. Construction 100% complete	91	Dec 2015
10. * Issuance of license	105	Dec 2015
11. *Initiation of service	120	Jan 2016
12. Final architectural certification of payment	150	March 2016
13. Final Project Report Form (HF0055)	210	May 2016

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

A.4	Ownership--Legal Entity and Organization Chart (if applicable)
A.6	Site Control
B.III.	Plot Plan
B.IV.	Floor Plan
C, Need-1.A.3	Medical Director Resume
C, Need--3	Service Area Maps
C, Economic Feasibility--1	Documentation of Construction Cost Estimate
C, Economic Feasibility--2	Documentation of Availability of Funding
C, Economic Feasibility--10	Financial Statements
C, Orderly Development--7(C)	Facility Inspections and Surveys
Miscellaneous Information	<ol style="list-style-type: none"> 1. BHG--Company Profiles 2. "Methadone Maintenance Treatment" (CDC) 3. Bureau of TennCare--Co./State Enrollments 4. U.S. Census QuickFacts for Service Area 5. Notifications to Public Officials

A.4--Ownership Legal Entity

STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES



LICENSE

THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES GRANTS THIS FULL LICENSE IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 33, CHAPTER 2, PART 4 TO:

VCPHCS XIX, LLC

(Name of Licensee)

TO OPERATE A FACILITY OR SERVICE IDENTIFIED AND LOCATED AS FOLLOWS FOR THE PROVISION OF MENTAL HEALTH, PERSONAL SUPPORT, OR ALCOHOL AND DRUG ABUSE SERVICES:

BHG Jackson Treatment Center

(Name of Facility or Service as Known to the Public)

1869 Highway 45 Bypass, Suite 5, Jackson, TN 38305

(Street Address or Location, City or Town)

THE LICENSEE HAS DEMONSTRATED COMPLIANCE WITH T.C.A. TITLE 33, CHAPTER 2, PART 4 AND WITH RULES OF THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

THIS LICENSE AUTHORIZES LIFE SAFETY OCCUPANCY CLASSIFICATIONS AND THE FOLLOWING DISTINCT CATEGORY OF FACILITY OR SERVICES TO BE PROVIDED.

Occupancy Classification(s): Business

Distinct Category	Accessible to mobile, non- ambulatory Individuals	Approved for persons with			Capacity
		hearing loss	vision impairment		
Alcohol & Drug Non-Residential Opiate Treatment	Y	N	Y		n/a

November 01, 2013
Effective Date

October 31, 2014
Date License Expires

L000000013729
License Number


Commissioner of Mental Health and Substance Abuse Services

THIS LICENSE IS NON-TRANSFERABLE AND NON-ASSIGNABLE.
POST THIS LICENSE IN A CONSPICUOUS PLACE.

13729

Site ID: 3249

VCPHCS XIX, LLC
Jackson Professional Associates
Jackson, TN

has been Accredited by




The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Behavioral Health Opioid Treatment Accreditation Program

September 13, 2012

Accreditation is customarily valid for up to 36 months.


Isabel V. Hoveman, MD, MACP
Chair, Board of Commissioners

Organization ID #522008
Print/Report Date: 10/1/12


Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



MAY 15 14 41:53

OPIOID TREATMENT PROGRAM CERTIFICATION

Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
Rockville, MD 20850

OTP NUMBER

TN-10033-M

EXPIRATION DATE

July 31, 2015

VCPHCS XIX, LLC
1869 HWY 45 Bypass
Suite 5
Jackson, TN 38305

This certificate is issued under authority of 42 CFR § 8.11 (21 U.S.C. 823(g)(1))



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment
www.samhsa.gov

H. Westley Clark, M.D., J.D., M.P.H., CAS, FASAM
Director, Center for Substance Abuse Treatment

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, BUSINESS ACTIVITY OR VALID AFTER EXPIRATION DATE

DEA REGISTRATION NUMBER	THIS REGISTRATION EXPIRES	FEE PAID
RV0421177 ZV0421177A	05-31-2014	\$244
SCHEDULES	BUSINESS ACTIVITY	ISSUE DATE
2, 3,	MAINTENANCE & DETOX	06-04-2013
VCPHCS XIX, LLC 1869 HIGHWAY 45 BYPASS SUITE 5 JACKSON, TN 38305-0000		

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION
WASHINGTON D.C. 20537

Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import or export a controlled substance.

THIS CERTIFICATE IS NOT TRANSFERABLE ON CHANGE OF OWNERSHIP, CONTROL, LOCATION, OR BUSINESS ACTIVITY, AND IT IS NOT VALID AFTER THE EXPIRATION DATE.

CONTROLLED SUBSTANCE REGISTRATION CERTIFICATE
UNITED STATES DEPARTMENT OF JUSTICE
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JACKSON, TN 38305-0000

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STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

KESSLER & COLLINS, P.C.
SUITE 750
2100 ROSS AVENUE
DALLAS, TX 75201

November 9, 2011

Request Type: Certificate of Existence/Authorization
Request #: 0051207

Issuance Date: 11/09/2011
Copies Requested: 1

Document Receipt

Receipt #: 563190

Filing Fee: \$22.25

Payment-Credit Card - TennesseeAnytime Online Payment

\$22.25

Regarding: VCPHCS XIX, LLC
Filing Type: Limited Liability Company - Foreign
Formation/Qualification Date: 09/21/2011
Status: Active
Duration Term: Perpetual

Control #: 668060
Date Formed: 07/15/2011
Formation Locale: Delaware
Inactive Date:

CERTIFICATE OF AUTHORIZATION

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

VCPHCS XIX, LLC

* is a Limited Liability Company formed in the jurisdiction set forth above and is authorized to transact business in this State;

* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

* has appointed a registered agent and registered office in this State;

* has not filed an Application for Certificate of Withdrawal.


Tre Hargett
Secretary of State

Processed By: Web User

000016610

Delaware

PAGE 1

The First State


I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "VCPHCS XIX, LLC", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF JULY, A.D. 2011, AT 3:15 O'CLOCK P.M.



5011310 8100

110827300

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 8906987

DATE: 07-18-11

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:28 PM 07/15/2011
FILED 03:15 PM 07/15/2011
SRV 110827300 - 5011310 FILE

CERTIFICATE OF FORMATION

OF

VCPHCS XIX, LLC

- 1) The name of the limited liability company is VCPHCS XIX, LLC.
- 2) The address of its registered office in the State of Delaware is: Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.
- 3) IN WITNESS WHEREOF, the undersigned have executed this Certificate of Formation of VCPHCS XIX, LLC this 14th day of July, 2011.



Andrew G. Love

CEO

Title

8300 Douglas Avenue, Suite 750
Dallas, Texas 75225

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES - CURRENT LICENSES

License Category: Alcohol & Drug Non-Residential Opiate Treatment

March 06, 2014

BHG

(BHG)XXXI, LLC

- ① 'BHG - Dyersburg Treatment Center' at 640 Highway 51 Bypass East, Suite M, Dyersburg, TN 38024
Contact: Sharon Pacheco (731) 285-6536
License I000000013620 (10/21/13 - 09/30/14) > Alcohol & Drug Non-Residential Opiate Treatment

BHG

DRD Management, Inc.

- ② 'BHG Knoxville Bernard Treatment Center' at 626 Bernard Avenue, Knoxville, TN 37921-6859
Contact: Danny Large (865) 522-0161
License L000000013279 (07/11/13 - 06/30/14) > Alcohol & Drug Non-Residential Opiate Treatment
- ③ 'BHG Knoxville Citico Treatment Center' at 412 Citico Street, Knoxville, TN 37921
Contact: Jack Chisnell (865) 522-0661
License L000000013280 (07/11/13 - 06/30/14) > Alcohol & Drug Non-Residential Opiate Treatment

Solutions of Savannah, Inc.

'Solutions of Savannah' at 85 Harrison, Savannah, TN 38372
Contact: Belinda Dickson (731) 925-2767
License L000000014190 (04/01/14 - 03/31/15) > Alcohol & Drug Non-Residential Opiate Treatment

BHG

VCPHCS I, LLC

- ④ 'BHG Memphis South Treatment Center' at 3041 Getwell Road, Suite 101 Building A, Memphis, TN 38118
Contact: Geneva Clark (901) 375-1050
License L000000013289 (07/01/13 - 06/30/14) > Alcohol & Drug Non-Residential Opiate Treatment

VCPHCS IX, LLC

- ⑤ 'Middle Tennessee Treatment Center' at 2410 Charlotte Avenue, Nashville, TN 37203
Contact: Derek K. Walsh (580) 321-2575
License L000000013030 (07/01/13 - 06/30/14) > Alcohol & Drug Non-Residential Opiate Treatment

BHG⑥

VCPHCS VIII, LLC

'BHG Memphis Mid-Town Treatment Center' at 1734 Madison Avenue, Memphis, TN 38104
Contact: Tony Johnson (901) 722-9420
License L000000013290 (07/01/13 - 06/30/14) > Alcohol & Drug Non-Residential Opiate Treatment

BHG

VCPHCS XIX, LLC

- ⑦ 'BHG Jackson Treatment Center' at 1869 Highway 45 Bypass, Suite 5, Jackson, TN 38305
Contact: Robin Tyler (731) 660-0880
License L000000013729 (11/01/13 - 10/31/14) > Alcohol & Drug Non-Residential Opiate Treatment

BHG

VCPHCS XVII, LLC

- ⑧ 'VCPHCS XVII, LLC' at 1202 South James Campbell Boulevard, Suite 7A, Columbia, TN 38401
Contact: Denise Woodie (931) 381-0020
License I000000012587 (04/01/13 - 03/31/14) > Alcohol & Drug Non-Residential Opiate Treatment

BHG

VCPHCS XX, LLC

- ⑨ 'BHG Paris Treatment Center' at 2555 East Wood Street, Paris, TN 38242
Contact: Lisa Smith (731) 641-4545
License L000000013719 (11/01/13 - 10/31/14) > Alcohol & Drug Non-Residential Opiate Treatment

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES - CURRENT LICENSES

License Category: Alcohol & Drug Non-Residential Opiate Treatment

March 06, 2014

VCPHCS XXI, LLC

'BHG Memphis North Treatment Center' at 2960-B Austin Peay Highway, Memphis, TN 38128

Contact: Ronald Robinson (901) 372-7878

License L000000013725 (11/01/13 - 10/31/14) > Alcohol & Drug Non-Residential Opiate Treatment

*Approved to
relocate to
2165 Spicer Court
Suite 9, 38137*

Volunteer Treatment Center, Inc.

'Volunteer Treatment Center, Inc.' at 2347 Rossville Blvd., Chattanooga, TN 37408

Contact: Anita Eason (423) 265-3122

License L000000013230 (07/01/13 - 06/30/14) > Alcohol & Drug Non-Residential Opiate Treatment

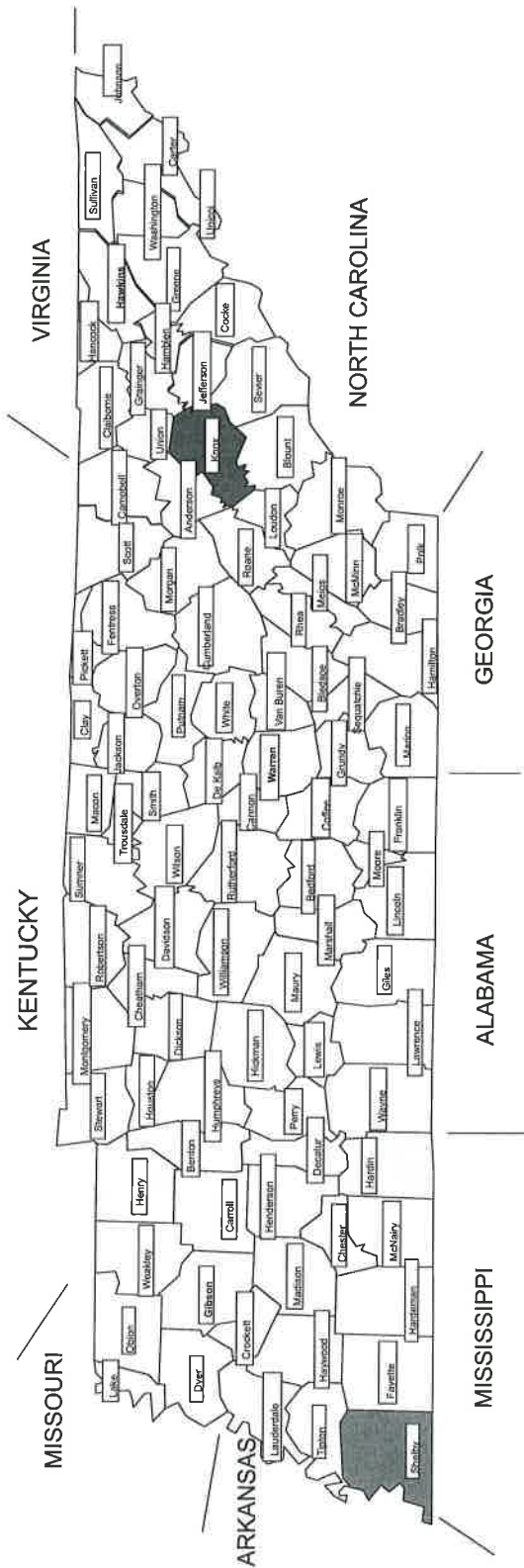
12 Licenses

11 LicensEEs

12 Sites

licensed categories
(services)

Tennessee Opioid Treatment Clinics



○ ONE LOCATION	● TWO LOCATIONS	● THREE LOCATIONS	* BHG Clinics
<p>Shelby (Memphis)</p> <p>ADC Recovery & Counseling Center 3041 Getwell, Suite 101 Memphis, TN 38118 (901) 375-1050 Hours of Operation M-F 5a-1:30p; Sat 6a-9a Dosing Hours M-F 5:30a-11a; Sat 6a-9a</p> <p>Memphis Center for Research & Addiction 1270 Madison Ave Memphis, TN 38104 (901) 722-9420 Hours of Operation M-F 5:45a-2p; Sat 6a-9a Dosing Hours M-F 5:45a-1p; Sat 6a-9a</p> <p>Raleigh Professional Associates 2960-B Austin Peay Hwy Memphis, TN 38128 (901) 372-7878 Hours of Operation M-F 5a-1p; Sat 6a-2p Dosing Hours M-F 5a-9a; Sat 6a-10a</p>	<p>Over (Overseasburg)</p> <p>MidSouth Treatment Center 640 Hwy 51 Bypass 3, Suite M Dyersburg, TN 38024 (731) 285-6535 Hours of Operation M-Sat 5a-11a Dosing Hours M-F 5a-11a; Sat 6a-10a</p> <p>Madison (Jackson)</p> <p>Jackson Professional Associates 1869 Hwy 45 Bypass, Suite 5 Jackson, TN 38305 (731) 660-0880 Hours of Operation M-F 5a-1p; Sat 6a-2p Dosing Hours M-F 5a-1p; Sat 6a-2p</p> <p>Marion (Paris)</p> <p>Paris Professional Associates 2555 East Wood Street Paris, TN 38242 (731) 641-4545 Hours of Operation M-Sat 5a-1p Dosing Hours M-Sat 5a-1p</p>	<p>Marion (Savannah)</p> <p>Solutions of Savannah 85 Harrison Street Savannah, TN 38372 (731) 925-2767 Hours of Operation M-Sat 5:30a-12p Dosing Hours M-F 5:30a-11a; Sat 6a-9a</p> <p>Mary (Columbia)</p> <p>Recovery of Columbia 1202 South James Campbell Blvd. Columbia, TN 38401 (931) 381-0020 Hours of Operation M-Sat 5:30a-11a Dosing Hours M-F 5:30-11a; Sat 6a-9a</p> <p>Davisson (Newville)</p> <p>Middle Tennessee Treatment Center 2410 Charlotte Avenue Nashville, TN 37203 (615) 321-2575 Hours of Operation M-Sat 6a-1p Dosing Hours M-F 6a-1p; Sat 6a-9a</p>	<p>Hamilton (Chattanooga)</p> <p>Volunteer Treatment Center, Inc. 2347 Rossville Blvd Chattanooga, TN 37408 (423) 265-3122 Hours of Operation M-Sat 5:30a-2p Dosing Hours M-F 5:30a-12:30p; Sat 5:30-11a</p> <p>Knox (Knoxville)</p> <p>DRD Knoxville Medical Clinic-Central 412 Citico Street Knoxville, TN 37921 (865) 522-0661 Hours of Operation M-Sat 5:30a-2:30p Dosing Hours 5:30a-11p; Sat 6a-9a</p> <p>DRD Knoxville Medical Clinic-Bernard 626 Bernard Avenue Knoxville, TN 37921 (865) 522-0161 Hours of Operation M-Sat 5:30a-2:30p Dosing Hours M-F 5:30a-11a; Sat 6a-9a</p>

A.6--Site Control

COMMERCIAL LEASE

ARTICLE 1.00 BASIC LEASE TERMS

1.01 Parties. This commercial lease ("Lease") dated Feb 12, 2014 is entered into by and between Jeff Cantrell, an individual ("Landlord") and VCPHCS XIX, a Delaware limited liability company ("Tenant").

1.02 Premises. In consideration of the rents, terms, provisions and covenants of this Lease, Landlord hereby leases, lets and demises to the Tenant the following described premises that certain 5,322 square foot space consisting of Suites A & B in that building located at 58 Carriage House Drive, Jackson, Tennessee 38305 (the "Building"), as more particularly described on Exhibit A attached hereto and incorporated herein (the "Premises"). Landlord represents that the square footage of the Premises is approximately 5,322 square feet. Upon reasonable advance notice to Landlord, Tenant shall have the right to access the electrical room in the Building and adjacent to the Premises (which electrical room is depicted by the cross hatched area on Exhibit A) from time to time during the Lease Term. Landlord hereby agrees to cooperate with Tenant in allowing Tenant (and its agents', contractors' and representatives') to have access to the electrical room to hook up or facilitate Tenant's utility services used at the Premises. Further, subject to Tenant's compliance with the terms and conditions set forth in Article 6 of this Lease, Tenant may, at its sole cost and expense, install a doorway between the Premises and the electrical room described above.

1.03 Term. Subject to and upon the conditions set forth herein, the term of this Lease shall commence on Feb 12, 2014 (the "Commencement Date") and shall terminate on the last day of the 126th full calendar month thereafter.

1.04 Monthly Base Rent.

Monthly Base Rent is as follows:

Months	Base Rent Rate	Monthly Base Rent Amount
1-2	\$14.00 PSF	\$6,209.00
3-8	\$0.00	\$0.00
9-126	\$14.00 PSF	\$6,209.00

Monthly Rent for month's 1 and 2 of the term of the Lease shall be paid upon execution of the Lease.

Security Deposit is \$6,209.00

1.05 Addresses.

Landlord's Address:

58 Carriage House Drive
Suite C.
Jackson Tennessee 38305
Attn: Mr. Jeff Cantrell

Tenant's Address:

VCPHCS XIX, LLC
Attn: James Draudt
8300 Douglas Avenue, Suite 750
Dallas, Texas 75225

1.06 Permitted Use. Outpatient prescription medication addiction treatment, counseling services, related office use, and all other uses permitted by law.

ARTICLE 2.00 RENT

2.01 Rent. Subject to the terms herein, Tenant agrees to pay monthly as Base Rent during the term of this Lease, the sum of money set forth in section 1.04 of this Lease, which amount shall be payable to Landlord at the address shown above. Two monthly installments of Base Rent shall be due and payable on the date of execution of

this Lease by Tenant for the first and second months' Base Rent and, except for months 3 - 8 (for which no monthly Base Rent shall be due during such time), a like monthly installment shall be due and payable on or before the first day of each calendar month succeeding the Commencement Date during the term of this Lease (however, such payment shall be deemed delinquent if not received by the tenth (10th) day of the month); provided, if the Commencement Date should be a date other than the first day of a calendar month, the monthly rental set forth above shall be prorated to the end of that calendar month, and all succeeding installments of rent shall be payable on or before the first (1st) day of each succeeding calendar month during the term of this Lease. Tenant shall pay, as additional rent, all other sums due under this Lease.

2.02 Real Property Taxes. Tenant agrees to pay, as additional rent, Tenant's Pro Rata Share (hereinafter defined) of all real property taxes (but not any late fees, fines or penalties of any kind or nature) lawfully levied or assessed against the Building and the real property on which it is situated. Said real property taxes and assessments shall be prorated and paid on or before the fifth (5th) day of every month following the Commencement Date, except for months 3 - 8 (for which no monthly Base Rent shall be due during such time), as additional rent. Tenant's Pro Rata Share shall be based upon Landlord's estimate of real property taxes and assessments for the current calendar year, provided, that in the event Landlord is required under a mortgage, deed of trust, underlying lease or loan agreement covering the Building to escrow real property taxes, assessments or required insurance, Landlord may but shall not be obligated, to use the amount required to be escrowed as a basis for its estimate. There will be an annual accounting as to actual real property taxes and assessments, which shall be included in the accounting for the Operating Expenses as described in §2.03 and appropriate payments or credits made as described in that section. To the extent the Commencement Date or termination date of the Lease is not on the first day of the calendar year or last day of the calendar year respectively, Tenant's liability for real property taxes shall be subject to a pro rata adjustment based on the number of days of any such year during which the term of the Lease is in effect. Tenant shall have no right to contest or appeal any value assessment rendered by applicable taxing authorities.

Tenant shall be liable for and shall timely pay all *ad valorem* personal property taxes assessed by any jurisdiction against the personal property owned by Tenant or maintained by Tenant in the Premises.

2.03 Operating Expenses. (a) In addition to the Base Rent, Tenant agrees to pay Tenant's Pro Rata Share of Operating Expenses (defined below) for the Building, and the real property upon which it is situated, as additional rent. Landlord will invoice Tenant monthly for Tenant's Pro Rata Share of the estimated Operating Expenses during each calendar year of the term of this Lease, which amount shall be adjusted each year based upon Landlord's reasonable estimation of the costs of such Operating Expenses to be incurred, based upon the actual Operating Expenses due in the previous Lease year. Notwithstanding the foregoing, Operating Expenses shall not exceed \$1.50 per square foot of the Premises in the first Lease year, and thereafter, any increase in Operating Expenses due in any calendar year of the term of the Lease will be subject to a cap, at a maximum increase of four percent (4%) per year, however the four percent (4%) cap shall not apply to the any increase in the utilities, real estate taxes or insurance which are chargeable to Tenant hereunder. Within six (6) months following the end of each calendar Lease year, Landlord shall provide Tenant a written accounting showing in reasonable detail all computations of Operating Expenses which were actually paid by Landlord in the previous calendar year. In the event the accounting shows that the total of the monthly Operating Expense payments made by Tenant in the previous calendar Lease year exceeds the amount of Operating Expenses which were actually incurred by Landlord, the accounting shall be accompanied by a cash or check payment to Tenant refunding the total amount of such overpayment in full. In the event the accounting shows that the total of the monthly Operating Expense payments made by Tenant in the previous calendar Lease year is less than the amount of Operating Expenses which were actually incurred by Landlord, the accounting shall be accompanied by an invoice to Tenant, specifying all amounts actually incurred by Landlord and the balance which is owed by Tenant. Tenant shall pay any such deficiency to Landlord within thirty (30) days of Tenant's receipt of the invoice as additional rent. If this Lease shall terminate on a day other than the last day of a calendar year, the amount of any Operating Expenses payable by Tenant applicable to the year in which such termination shall occur shall be prorated on the ratio that the number of days from the commencement of the calendar year to and including the termination date bears to 365. If Tenant shall object to the written accounting provided by Landlord within sixty (60) days of its receipt, then in such event, Landlord shall provide to Tenant such receipts, checks and or other supporting documentation which Landlord may have (or have access to) to support the Operating Expense invoice. Tenant agrees to pay its Pro Rata Share of any Operating Expenses due under this section no later than thirty (30) days following Tenant's receipt of the written invoice or accounting from Landlord. If, after receipt of such supporting documentation, it is demonstrated that the original invoice is inaccurate, then

Landlord shall reimburse to Tenant any overcharge, or, Tenant shall pay to Landlord any undercharge, as the case may be, within thirty (30) days of the provision of such supporting documentation.

(b) The term "Operating Expenses" includes all typical, reasonable and necessary expenses actually incurred by Landlord with respect to the maintenance and operation of the Building, the parking lot and the real property upon which the Building is situated, including, but not limited to, the following: maintenance and repair costs; tree and shrub trimming, maintenance of the lawn and shrub/flower beds, repair, maintenance and cleaning of the parking lot, maintenance and repair of the signage for the Building and the common areas (if, and only if, Tenant has any signage posted at the Building and/or center sign), maintenance and repair of the parking lot lighting, wage payments to employees or contractors of Landlord, or a company owned by Landlord, to the extent and only up to the amount paid to them solely for maintenance or repair work if said maintenance or repair work would be included within the definition of Operating Expenses if performed by a third party (provided, however, such amounts shall at all times be commercially reasonable), property management fees, all utilities, supplies, repairs, or other expenses for maintaining and operating the private roads, signage and other common areas serving the Building (excluding any such expenses which are expressly excluded from the definition of Operating Expenses hereinbelow); the cost, including interest, amortized over its useful life, of any capital improvement made to the Building by Landlord after the date of this Lease which is required under any governmental law or regulation that was not applicable to the Building prior to the Commencement Date; real property taxes (as described in §2.02 above), and insurance premiums Landlord is required to pay under this Lease, to the extent that such insurance is applicable to the Building, the signage and/or the parking lot serving the Building.

(c) The term Operating Expenses does not include the following: income and franchise taxes of Landlord; expenses incurred in leasing to, retaining, or procuring of tenants, leasing commissions, brokerage fees; advertising expenses; promotional expenses and expenses for the renovating of space for new tenants; expenses incurred for other tenants in the Building; interest or principal payments on any mortgage or other indebtedness of Landlord; any depreciation allowance or expense; depreciation; expenses incurred by Landlord to prepare, renovate, repaint, redecorate or perform any other work in any space leased to an existing tenant or prospective tenant of the Building; expenses incurred by Landlord for repairs, replacements, or other work occasioned by fire, windstorm, or other insurable casualty or condemnation to the extent of the amount paid to Landlord for such casualty by Landlord's insurance; expenses incurred by Landlord to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants or in connection with any financing, sale or syndication of the Building; interest, principal, points and fees, amortization or other costs associated with any debt and rent payable under any lease to which this Lease is subject and all costs and expenses associated with any such debt or lease and any ground lease rent, irrespective of whether this Lease is subject or subordinate thereto; and all costs of capital improvements, capital repairs capital alterations, capital replacements, capital equipment and capital tools (collectively, "Capital Expenditures"), except to the extent that such Capital Expenditures are expressly permitted in paragraph of Section 2.03(b) or (c) herein; all depreciation and/or amortization, except for an amortization charge with respect to a Capital Expenditure; all depreciation and/or amortization, except for an amortization charge with respect to an expenditure made pursuant to a governmental law or regulation not in effect at the time of execution hereof, or with respect to an Operating Expenses reduction facility or equipment, as expressly described in section 2.03 hereof; expenses related to the repair and/or replacement of any item covered under warranty or insurance of Landlord or another tenant of the Building; maintenance, repair and replacement of foundation, columns, weight bearing walls and supports, exterior walls, roof and floor of the Building (except and to the extent that any of these items are altered as part of the Tenant Improvements); cost to correct any penalty or fine incurred by Landlord due to Landlord's violation of any federal, state or local law or regulation and any interest or penalties due for late payment by Landlord of any of the Operating Expenses; costs of repair necessitated by Landlord's gross negligence, willful misconduct, or necessitated by Landlord's default (or if an event occurs that could give rise to a Landlord default), expenses for any item or service which Tenant pays directly to a third party or separately reimburses to Landlord and expenses incurred by Landlord to the extent the same are reimbursable or reimbursed from any other tenants, occupants of the property, or third parties; expenses for any item or service not provided to Tenant but exclusively to certain other tenants in the Building; wages, benefits and other compensation of employees or contractors of Landlord above the grade of property manager, building superintendent or building manager; Landlord's general corporate overhead and administrative expenses; expenses incurred by Landlord, other than for maintenance and repair, in order to comply with all present laws, ordinances, requirements, orders, directives, rules and regulations of federal, state, county and city governments and of all other governmental authorities having or claiming jurisdiction over the Building, including without limitation the Americans with Disabilities Act of 1990 (as amended), the Federal Occupational

Safety and Health Act of 1970 (as amended) and any of said laws, rules and regulations relating to environmental, health or safety matters; reserves; fees paid to affiliates of Landlord to the extent that such fees exceed the customary amount charged for the service provided; expenses of Landlord's attorney, accountant, or other advisors. As used in this Section 2.03, the term "capital" (as it relates to a Capital Expenditure), shall refer to any expense or cost that is required to be capitalized for federal income tax purposes, on the date this Lease is executed.

(d) For purposes of this Lease and upon the basis that the Premises consist of approximately 5,322 square feet and the Building consists of 10,137 square feet, Tenant's "Pro Rata Share" of Operating Expenses for the Building shall be 52.5%%.

2.04 Late Payment Charge. Other remedies for nonpayment of rent notwithstanding, if the monthly rental payment is not received by Landlord on or before the tenth (10th) day of the month for which the rent is due, or if any other payment due Landlord by Tenant is not received by Landlord on or before the tenth (10th) day of the month next following the month in which Tenant was invoiced, a late payment charge of five percent (5%) of such past due amount shall become due and payable in addition to such amounts owed under this Lease.

2.05 Security Deposit. The security deposit set forth above shall be held by Landlord for the performance of Tenant's covenants and obligations under this Lease, it being expressly understood that the deposit shall not be considered an advance payment of rental or a measure of Landlord's damage in case of default by Tenant. Upon the occurrence of any event of default by Tenant or breach by Tenant of Tenant's covenants under this Lease, Landlord may, from time to time, without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrears of rent, or to repair any damage or injury, or pay any expense or liability incurred by Landlord as a result of the event of default or breach of covenant, and any remaining balance of the security deposit shall be returned by Landlord to Tenant within thirty (30) days following termination of this Lease.

2.06 Holding Over. In the event that Tenant does not vacate the Premises upon the expiration or termination of this Lease, Tenant shall be a tenant at will for the holdover period and all of the terms and provisions of this Lease shall be applicable during that period, except that Tenant shall pay Landlord as Base Rental for the period of such holdover an amount equal to 1.25 times the Base Rent being paid by Tenant immediately prior to the expiration or termination of the Lease. Further, Tenant shall continue to pay the monthly prorated Operating Expenses (including monthly prorated real estate taxes described in §2.02) during any holdover period. Tenant agrees to vacate and deliver the Premises to Landlord immediately upon Tenant's receipt of notice from Landlord to vacate. Such notice shall be pursuant to the notice provisions of Section 14.06 herein or by facsimile transmission. The rental payable during the holdover period shall be payable to Landlord on demand. No holding over by Tenant, whether with or without the consent of Landlord and notwithstanding receipt by Tenant of an invoice from Landlord for holdover rent, shall operate to extend the term of this Lease.

ARTICLE 3.00 OCCUPANCY AND USE

3.01 Use. Tenant shall not permit any operation which emits any odor or matter which intrudes into other portions of the Building or Building, attracts rodents, use any apparatus or machine which makes undue noise or causes vibration in any portion of the Building or Building or otherwise interfere with, annoy or disturb any other tenant in its normal business operations or Landlord in its management of the Building.

3.02 Signs. Tenant may erect its signage on the exterior of the Building, in accordance with local code and ordinance and subject to the approval of Landlord, which approval will not be unreasonably withheld. All signs shall be installed at Tenant's sole costs and expense, subject to the terms herein. At the expiration of this Lease, Tenant shall remove its signage and repair any damage caused by such removal (ordinary wear and tear accepted).

3.03 Compliance with Laws, Rules and Regulations. (a) Landlord, at Landlord's sole cost and expense, shall tender to Tenant prior to Tenant's installation of Tenant's Improvements, the Premises, which Premises (and Building) shall comply with all laws, ordinances, orders, rules and regulations now in effect

including, but not limited to, Title III of the Americans With Disabilities Act of 1990 and any regulations promulgated thereunder, which govern the Premises in its current (that is, as of the Commencement Date) state. However, Landlord does not warrant, and shall have no obligation as to any such laws, ordinances, orders, rules and regulations as may relate to Tenant's specific use of the Premises.

(b) After the Tenant Improvements are constructed, but during the term of the Lease, Landlord hereby represents and warrants to Tenant that the common areas of the Building and parking lot shall be kept in material compliance with all applicable codes, laws, regulations and ordinances of all Federal, state, county and municipal authorities including, but not limited to, Title III of the Americans With Disabilities Act of 1990 and any regulations promulgated thereunder. If any noncompliance shall materially interfere with Tenant's use and occupancy of the Premises, then Landlord shall at Landlord's sole cost, and as Tenant's sole and exclusive remedy (save and except for Landlord's indemnification obligations set forth herein), bring the common areas into compliance.

(c) Tenant, at Tenant's sole cost and expense, shall in the construction of the Tenant Improvements, comply and shall cause its contractors and subcontractors to comply with all laws, ordinances, orders, rules and regulations now in effect of state, federal, municipal or other agencies or bodies having jurisdiction over Tenant, the Premises or Tenant's specific use, condition and occupancy of the Premises, including, but not limited to, Title III of the Americans With Disabilities Act of 1990 and any regulations promulgated thereunder, however, if such representation and warranty is not accurate, then Tenant shall, as Landlord's sole and exclusive remedy, shall cause such warranty and/or representation to be correct.

(d) From and after the construction of the Tenant Improvements and during the term of this Lease, Tenant's use and occupancy of the Premises shall comply with all applicable federal, state or local laws, ordinances, orders, rules and regulations now in effect of state, federal, municipal or other agencies or bodies having jurisdiction over Tenant or the Premises use and occupancy, provided, however, that in no event shall Tenant be responsible to make any changes, repairs or alterations to any part of the Building unless such work is directly related to Tenant's specific use of the Premises.

(e) If after the execution of this Lease, a law applicable to the Building or the Premises shall change and the change shall require that the Building be altered in order to continue to be occupied for its current uses, then in such event Landlord shall, at its sole cost and expense, bring the Building into compliance with applicable law and/or regulation within a reasonable time. However, if the change in law shall require a change to the Premises or the Tenant Improvements for Tenant's specific use, then in such even, Tenant shall be required, at its sole cost and expense, to bring the Premises and/or the Tenant Improvements into compliance with applicable law and/or regulation.

(f) Neither party shall be required by this Agreement to make any alteration of the Building or the Premises as a result of a change in law unless: (i) such party receives notice of or has actual knowledge of, any change in law that would cause any part of the Building to not be in compliance with any laws, rules or regulations, or (ii) the applicable government authority otherwise requires that the alteration be made.

However, if any changes to the City of Jackson, Tennessee or Madison County, Tennessee, building code occur after the Commencement Date, no party shall be required to make changes or alterations to the Building or the Premises, as the case may be, unless the local government authority with jurisdiction provides notice requiring the changes or alterations to be made.

(g) Landlord shall also have no obligation to make any change to the Building as a result of a change in law to the extent that the change is required in connection with an alteration to, or modification of, the Premises by Tenant, or the Tenant Improvements by Tenant.

3.04 Warranty of Possession. Landlord warrants that it has the right and authority to execute this Lease, and Tenant, upon payment of the required rents and subject to the terms, conditions, covenants and agreements contained in this Lease, shall have possession of the Premises during the full term of this Lease as well as any extension or renewal thereof. Landlord shall not be responsible for the acts or omissions of any other Tenant or third party that may interfere with Tenant's use and enjoyment of the Premises. Unless Tenant commits a default (beyond any applicable notice or cure period), then at all times during the term of this Lease, Tenant shall have peaceful and

quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

Tenant acknowledges and agrees (without waiving any rights) that Landlord owns and operates JC Audio in the Building and that this business consist, in part, of audio equipment sales and installation. During business hours there will be occasions when audio equipment is demonstrated and that music may be able to be heard within the Premises.

3.05 Inspection. Landlord or its authorized agents shall at any and all reasonable times during normal business hours, and upon no less than 48 hours' notice to Tenant, and in the presence of Tenant's representative, have the right to enter the Premises to inspect the same, conduct non-invasive tests, environmental audits or other procedures to determine Tenant's compliance with the terms hereof; to supply any other service to be provided by Landlord; to show the Premises to prospective purchasers, tenants (during the last 60 days of the term of this Lease) or mortgagees; to alter, improve or repair the Premises (which alterations, improvements or repairs shall not materially interfere with Tenant's use or occupancy of the Premises) or any other portion of the Building or for any other purpose Landlord deems necessary. If Landlord shall give Tenant 48 hours' notice of an inspection (which notice is actually received by Tenant) and Tenant shall fail to produce a representative for the inspection, then in such event Landlord may inspect without a Tenant representative. Tenant shall not change Landlord's lock system or in any other manner prohibit Landlord from entering the Premises, without giving Landlord access to the Premises. Landlord shall have the right to use any and all means which Landlord may deem proper to open any door in an emergency without liability therefore and in the event of an emergency, Landlord may enter the Premises without notice and without a Tenant representative. During the final one-hundred eighty days of the Lease term, Landlord or its authorized agents shall have the right to erect or maintain on or about the Premises or the Building customary signs advertising the Premises for lease or sale. Landlord shall use its best efforts to avoid interfering with Tenant's use of the Premises during any such entry. Landlord acknowledges that Tenant intends the Premises to be used as a medical clinic serving various patients, and that the Premises shall contain Medical Records (hereinafter defined) owned by such patients, and that such Medical Records must remain confidential. Accordingly, in no event shall Landlord obtain any ownership interest or block access to any Medical Records and if any Landlord or Landlord's affiliate enters the Premises for any reason, Landlord or Landlord's affiliate shall not review, disclose, use, distribute, or destroy any of the Medical Records. As used herein, the term "Medical Records" shall mean and include, without limitation, patient files and materials owned by such patients, and/or any other confidential information or information protected by the Health Insurance Portability and Accountability Act (HIPAA) or similar federal/state law, whether stored electronically or on paper, which Medical Records shall at all times remain the property of the Tenant or the respective patient(s) of the Tenant, as the case may be.

3.06 Environmental Requirements Of Tenant.

(a) **Environmental Covenant of Tenant.** Throughout the Tenant's occupancy of the Premises, Tenant will comply with all requirements of Environmental Laws relating to air quality, water quality, solid waste disposal, hazardous waste disposal, hazardous or toxic substances, and the protection of health and environment caused by Tenant's use or occupancy. Further, Tenant immediately shall notify Landlord should Tenant become aware of:

- (i) any hazardous substance or other environmental problems or liability with respect to the Premises; or
- (ii) any lien, action, or notice of environmental problems with respect to Tenant's business or with respect to the Premises.

Tenant shall at its own cost and expense, take all legally required action as shall be necessary for the "cleanup" of any environmental contamination to the Premises caused by Tenant, Tenant's use or occupancy, or its invitees, contractors or employees, including all removal and remedial action in accordance with all applicable Environmental Laws. Further, Tenant shall pay or cause to be paid at its own expense all clean up, administrative, and enforcement cost of all applicable governmental agencies which may be asserted against the Premises with respect to any environmental contamination caused by Tenant, its invitees, contractors or employees. All costs, including without limitation, those costs set forth above, damages, liabilities, claims, and expenses (including reasonable attorney's fees and expenses) which are incurred by Landlord with respect to environmental contamination caused by Tenant, its invitees, contractors or employees, without the requirement of waiting for the

ultimate outcome of any litigation, claim, or other proceedings, shall be paid by Tenant to Landlord, as incurred, within thirty (30) days after notice from Landlord, itemizing the amount incurred to the date of such notice. Tenant shall provide Landlord with copies of all environmental permits from any governmental agency or organization as to Tenant's storage, processing, or locating of Hazardous Materials on or about the Premises.

Landlord or Landlord's representative shall, at Landlord's sole cost and expense, have the right but not the obligation to enter the Premises for the purpose of inspecting the storage, use and disposal of Permitted Materials to ensure compliance with all Environmental Laws. Should it be determined, in the opinion of Landlord's licensed environmental engineer or Environmental Professional (as such term is defined in 40 CFR 312.10), that said Permitted Materials are being stored, used, or disposed of in violation of any Environmental Law, then Tenant shall immediately commence taking such corrective action as required by said Environmental Professional or engineer to comply with such violation. Should Tenant fail to take such corrective action within a reasonable time, Landlord shall have the right to perform such work and Tenant shall promptly reimburse Landlord for any and all reasonable costs associated with said work. If at any time during or after the Term, Tenant's use of the Premises is found to be in violation of any Environmental Laws, Tenant shall diligently institute proper and thorough cleanup procedures at Tenant's sole cost. Before taking any action to comply with Environmental Laws or to clean up Hazardous materials contaminating the Premises, which Hazardous materials were released by Tenant, Tenant shall submit to Landlord a plan of action, including any and all plans and documents required by any Environmental Law to be submitted to a governmental authority (collectively a "plan of action"). Before Tenant begins the actions necessary to comply with Environmental Laws or to clean up contamination from Hazardous materials, Landlord shall have (1) approved the nature, scope and timing of the plan of action, and (2) approved any and all covenants and agreements to effect the plan of action.

If Hazardous Materials are used in the conduct of Tenant's business, they shall be properly disposed of. If Environmental Laws, local rule, regulation or ordinance, or prudent business practice dictates that the materials be disposed of in separate, discreet containers or dumpsters, then in such event Tenant shall procure, at Tenant's costs the appropriate disposal containers and/or mechanisms and shall only use those containers or mechanisms for disposal.

(b) **Definition of Environmental Laws.** The term "Environmental Law" means any and all federal, state, regional, county, or local laws, statutes, rules, regulations or ordinances; and any state, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or the discharges, emissions, or disposal to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use, handling or disposal or polychlorinated biphenyls (PCBs), asbestos, or urea formaldehyde, to the treatment, storage, disposal or management of Hazardous Materials, to exposure to Hazardous Materials, to the transportation, storage, disposal, management or release or gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issues thereunder.

(c) **Definition of Hazardous Materials.** The term "Hazardous Materials" means any hazardous, toxic or dangerous materials, substances, chemicals, waste or pollutants that is from time to time defined by pursuant to or is regulated under any of the Environmental Laws, including without limitation, asbestos, PCBs petroleum derivatives or by-products, other hydrocarbons, including without limitation any material, substances, pollutants or wastes that are defined as a hazardous waste under RCRA or defined as a hazardous substance under CERCLA.

(d) **Definition of Environmental Contamination.** The term "Environmental Contamination" shall be defined by applicable federal and state cleanup standards

(e) **Prohibited Activities.** Tenant hereby agrees that (i) no activity will be conducted on the Premises that will produce any Hazardous Materials, if scheduled pharmaceuticals or biological/medical waste are used or produced or other customary cleansers and sanitizing agents in de minimus quantities that are used in the ordinary course of Tenant's business then all such materials shall be handled and disposed of in accordance with all applicable Environmental Law; Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency related to its use of any Hazardous materials on the Premises; (ii) the Premises will not be used in any manner for the storage of any Hazardous materials except for the

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temporary storage of such materials that are used in the ordinary course of Tenant's business (the "Permitted Materials") provided such Permitted Materials are properly stored in a manner and location meeting all Environmental Laws, Tenant shall be responsible for obtaining any required permits and paying any fees related to its use of any Hazardous materials on the Premises and providing any testing required by any governmental agency related to its use of any Hazardous materials on the Premises; (iii) no portion of the Premises will be used as a landfill or a dump; (iv) Tenant will not install any underground or above ground tanks of any type; (v) Tenant will not allow any surface or subsurface conditions to exist or come into existence that constitute, or with the passage of time may constitute a public or private nuisance; (vi) Tenant will not permit any Hazardous materials to be brought onto the Premises, except for the Permitted Materials described above, and if so brought or found located thereon, the same shall be immediately removed, with proper disposal, and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws. Tenant agrees to indemnify and hold Landlord harmless from all claims, judgments, damages, penalties, enforcement actions, taxes, fines, remedial actions, liabilities, losses, costs and expenses (including, without limitation, actual attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including, without limitation any sums paid in settlement of claims and obligations of any nature arising from or as a result of the use of the Premises by Tenant, or which are caused by Tenant or its invitees, contractors or employees. The foregoing indemnification and the responsibilities of Tenant shall survive the termination or expiration of this Lease for six months. If Landlord shall have a reasonable suspicion (which reasonable suspicion is supported by credible evidence) that Tenant's use and occupancy of the Premises has resulted in the violation of Environmental Laws, then in such event Tenant shall cause a phase I environmental survey to be performed within said six (6) month time period and if said survey shows any violation of Environmental Laws, then in such event Tenant shall take such action as is otherwise required by this Lease.

Landlord represents and warrants to Tenant that as of the Commencement Date, the Premises and Building are in compliance with all applicable Environmental Laws and neither the Premises nor the Building is being monitored or remediated at the request of any government agency due to current or prior non compliance with Environmental Laws. Notwithstanding anything herein to the contrary, Tenant shall not be liable for any claims, demands, actions, liabilities, costs, expenses, damages and/or obligations of any nature arising from any Hazardous materials' contamination pre-existing in the Premises prior to the earlier of either (i) Tenant's access to the Premises, or (ii) the Commencement Date, or other-wise caused by any Landlord (collectively, "Pre-Existing Contamination"). Landlord and its successors and assigns shall indemnify, protect, defend and hold Tenant, its partners, officers, directors, shareholders, employees, agents, lenders, contractors and each of their respective successors and assigns harmless from any and all claims, judgments, damages, penalties, enforcement actions, taxes, fines, remedial actions, liabilities, losses, costs and expenses (including, without limitation, actual attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including, without limitation any sums paid in settlement of claims, which arise during or after the Term either in whole or in part as a result of the presence of any Hazardous Materials, in, on, under, from or about the Premises or the Building and/or other adjacent properties that occurred prior to the Term, to the extent that Landlord has liability therefore pursuant to applicable Environmental Laws..

3.07 Parking and Road Use. At no extra charge to Tenant, Tenant is hereby granted the right to use, for the benefit of Tenant, its employees, customers, invitees and licensees, twenty (20) parking spaces in the parking area depicted on Exhibit A attached hereto. Landlord shall mark said spaces as reserved for Tenant's use, and Landlord shall use its best efforts to prohibit unauthorized users from parking in such spaces.

3.08 Certificate of Occupancy. Upon the completion of the Tenant Improvements Tenant shall obtain any and all necessary Certificates of Occupancy for the Premises and shall deliver a copy to Landlord.

ARTICLE 4.00 UTILITIES AND SERVICE

4.01 Building Services. Landlord represents that as of the execution of this Lease, gas, electric, water, sanitary and storm sewer and telephone utility service is available at the Premises. Tenant shall pay directly to the appropriate supplier the cost of all utility services used at the Premises. If there shall be an interruption to any such services at the Premises for more than two (2) consecutive days, which interruption is caused by Landlord or its contractors or employees, then all Rent, additional rent, and other charges hereunder shall abate until such time as such utility service(s) are fully restored to the Premises.

ARTICLE 5.00 REPAIRS AND MAINTENANCE

5.01 Existing Conditions. Landlord represents and warrants to Tenant that Landlord has not received any written notice of any violations which remain uncured with respect to any defective condition, structural or otherwise, with respect to the Premises; and Landlord represents and warrants that the heating, ventilating and air conditioning equipment and systems, plumbing system, electrical system, the roof and roof membrane, and all other fixtures, equipment and systems at or serving the Premises (except for those fixtures, equipment or systems brought onto the Premises by Tenant) are in good condition, repair and working order as of the date of this Agreement.

5.02 Landlord Repairs, Maintenance & Replacement. Except for Tenant's obligations described in 5.03 below, Landlord shall maintain, repair and replace all parts of the Building and the common areas, including, the roof, foundation, parking and common areas, landscaping, lawn maintenance, lawn sprinkler systems, parking lot striping and painting, painting the Building and exterior doors and the structural soundness of the exterior walls (excluding windows, window glass, plate glass, doors and surfaces of walls), and the utility systems (including plumbing, gas, electrical, sprinkler, sewer, and water systems) and lines which are presented to the Tenant prior to the construction of the Tenant Improvements or which are outside of the Premises and which exist at the time of the execution of this Agreement or subsequently installed by some party other than Tenant, Tenant's contractors or at Tenant's direction (or Tenant's representative). Landlord shall also be responsible for maintenance, repairs and replacements to all utility, electrical and plumbing lines, and other systems referenced above, as well as connections and fixtures which are invisible within the walls or floor of the Premises, unless said utility, electrical and plumbing lines, connections and fixtures are part of the Tenant Improvements, or are later added to the Premises by Tenant, Tenant's contractors or at Tenant's direction.

The parties acknowledge and agree that some of the cost for certain of Landlord's obligations pursuant to this Section 5.02 are chargeable to Tenant as Operating Expenses as set out in Section 2.03 above.

Notwithstanding anything herein to the contrary, Landlord hereby represents, warrants, and covenants to Tenant that upon delivery of the Premises to Tenant, heating, ventilation and cooling system servicing the Premises (the "HVAC System") shall be free from defects and in good working order and condition for Tenant's permitted use. If the HVAC System is not free from defects or otherwise not in good working order or condition upon delivery of the Premises to Tenant, then Tenant shall notify Landlord in writing of such fact, whereupon Landlord shall, at its sole cost and expense, repair any such defects or cause the HVAC System to be in good working order and condition.

5.03 Tenant Maintenance. Except for Landlord's obligations as expressly provided in 5.03 above, Tenant shall, at its sole cost and expense, maintain the Premises in good repair and condition, including, but not limited to lights, pest control and extermination. Tenant shall, at its sole cost and expense, maintain all of the Tenant Improvements or any item of construction or alteration which is performed by Tenant, Tenant's contractors or at Tenant's direction, or any item of repair or maintenance anywhere within the Premises. This shall include but not be limited to, maintenance, repair or replacement of the HVAC System (subject, however, to Landlord's obligations set forth in Section 5.02 above) as well as maintenance to all utility, electrical and plumbing lines, connections and fixtures which are visible within the Premises, or which are part of the Tenant Improvements, or which are later added to the Premises by Tenant. It shall also include maintenance, repair and replacement of any meters, lines, boxes, pumps, units, fans, exhausts or other items of improvements which may sit outside of the actual Premises but which are installed by, for, or at the direction of, Tenant for the equipment, machinery, fixtures or systems inside the Premises. To the extent that the Tenant Improvements cause any change to a structural element that Landlord would otherwise be responsible for, then in such event, Tenant shall be responsible for any maintenance and repair to the element so changed or altered. Tenant shall also repair and maintain, at its sole cost and expense, all lighting ballasts which serve the Premises. Tenant shall also repair and maintain, at its sole cost and expense, all windows, window glass, plate glass, doors and surfaces of walls within and which serve the Premises. Tenant shall repair and pay for any damage caused solely by any act or omission of Tenant or Tenant's agents, employees, invitees, licensees or visitors.

ARTICLE 6.00 ALTERATIONS AND IMPROVEMENTS

6.01 Landlord Improvement Allowance. Landlord shall reimburse Tenant up to an improvement allowance

in the amount of \$156,990.00 (the "Allowance"), for Tenant's initial improvements to the Premises, which Tenant desires to perform for its initial occupancy thereof the ("Tenant Improvements"). Landlord shall pay the Allowance to Tenant within thirty (30) days after: (a) the Tenant Improvements are completed, (b) Tenant has moved into the Premises, (c) after Tenant provides Landlord with copies of lien waivers/releases related to all such work or services performed in connection with the Tenant Improvements (provided, however, that Tenant shall not be required to produce any lien waivers/releases for any work or services that cost less than \$5000), (d) Tenant obtains and provides to Landlord a copy of the certificate of occupancy issued by the City of Jackson, Tennessee, and (e) Tenant obtains and provides to Landlord a copy of the acceptance and approval from any health-care licensing or regulatory authorities who are required (if any) to approve Tenant's Improvements. However, if Tenant satisfies all of the foregoing obligations and Landlord does not timely pay the full amount of the Allowance, then Tenant may offset the unpaid Allowance against any Base Rent, additional rent, or other charges due to Landlord hereunder.

6.02 Tenant Improvements. Tenant shall not make or allow to be made any alterations or physical additions in or to the Premises without complying with all local, state and federal ordinances, laws, statutes and without first obtaining the written consent of Landlord, which consent may not be unreasonably withheld. If the alterations desired by Tenant will result in significant costs to Landlord, for any reason, then in such event Landlord's withholding of consent will not be deemed unreasonable. All Tenant Improvements shall be installed by licensed contractor(s) (except for minor alterations, like cosmetic alterations or other work that can legally be performed by an unlicensed contractor). Any alterations, physical additions or improvements to the Premises made by Tenant shall at once become the property of Landlord and shall be surrendered to Landlord upon the termination of this Lease without credit to Tenant. This clause shall not apply to moveable equipment or furniture owned by Tenant, which may be removed by Tenant at the end of the term of this Lease if Tenant is not then in default, if such equipment and furniture are not then subject to any other rights, liens and interest of Landlord and such removal can be accomplished without material damage to the Premises.

Landlord and Tenant acknowledge that Landlord may desire to remove certain fixtures, doors or other improvements that are currently installed upon the Premises (the "Landlord Removal Items") prior to the commencement of the construction of the Tenant's Improvements. The parties agree that they shall work together in good faith to identify what items Landlord will remove as quickly as possible. Notwithstanding the foregoing, Landlord shall have up to 25 days from the date this Lease is executed to remove the Landlord Removal Items, at Landlord's sole cost and expense, and if Landlord does not timely remove the Landlord Removal Items, then Tenant shall be have the right (without liability or penalty) to utilize or dispose of all such Landlord Removal Items. Landlord shall be responsible for any delay and/or increase in the costs of the Tenant Improvement occasioned by damage to the Premises caused by the removal of any Landlord Removal Items.

6.03 Mechanics Lien. Tenant will not permit any mechanic's or material men's lien(s) or other lien to be placed upon the Premises in connection with any alterations or improvements to the Premises performed by Tenant. In the event any such lien is attached to the Premises, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, obtain the release or otherwise discharge the same. Any amount paid by Landlord for any of the aforesaid purposes shall be paid by Tenant to Landlord on demand as additional rent.

ARTICLE 7.00 CASUALTY AND INSURANCE

7.01 Casualty Loss. If the improvements on the Building is damaged or destroyed by any casualty insured under the extended casualty insurance policy applicable to the Building, the insurance proceeds from such policy shall be used to repair and/or restore the Building and the Premises to substantially the condition it was in when landlord delivered the Premises to Tenant hereunder, subject to the time that elapses due to adjustment of fire insurance. However, if the amount of the damage to the Premises exceeds fifty percent (50%) of the value of the improvements which make up the Building, there shall be no obligation to repair or restore the Premises, and if Landlord chooses not to repair or restore then this Agreement shall terminate upon Landlord's notice to Tenant that Landlord chooses not to repair. In any such case, rent shall abate during the period of time from the casualty until the repair or restoration has been made such that Tenant can resume the use and occupancy of the Premises. Landlord shall provide notice of its intent to Tenant within thirty (30) days of the casualty loss.

7.02 Repair and Restoration. Where repair or restoration is required after a casualty loss, or where the

Landlord decides to repair or restore even if not required; then Landlord shall complete, or caused to be completed, the repair and/or restoration in good faith, with reasonable diligence, within a reasonable time, not to exceed nine (9) months from Landlord provides notice of Landlord's intent to Tenant), given the particular casualty. Landlord's obligation shall be to repair or rebuilding the Building or other improvements to substantially the same condition they were in at the time that Landlord delivered the Premises to Tenant pursuant to this Agreement. Landlord shall have no obligation to repair or rebuild Tenant's furniture, fixtures, personal property or any of the Tenant Improvements. In the event that Landlord fails to complete the necessary repairs or rebuilding within nine (9) months from the date of written notification by Landlord to Tenant of Landlord's intent, Tenant may at its option terminate this Lease by delivering written notice of termination to Landlord, whereupon all rights and obligations under this Lease shall cease to exist. Otherwise, this Lease shall remain in full force and effect after any casualty loss or damage to the Premises.

In any such case, until such time as all damage or destruction has been rebuilt or repaired and the Premises is ready for Tenant's occupancy, Tenant's obligation to pay Base Rent, additional rent, and all other expenses herein shall be abated. If any damage or destruction occurs to the Premises during the last twenty-four (24) months of the Lease term, either Tenant or Landlord may elect to terminate this Lease as of the date Tenant notifies Landlord of such damage.

7.03 Insurance by Tenant. Tenant shall maintain commercial general liability insurance, including contractual liability insurance with limits not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate, insuring against claims for bodily injury and personal injury arising from the use, occupancy or maintenance of the Premises. Any general aggregate shall apply on a per location basis. Tenant shall maintain all property insurance for all personal property of Tenant in the Premises and improvements, fixtures and equipment constructed or installed by Tenant in the Premises. Any deductible selected by Tenant shall be the sole responsibility of the Tenant. All liability insurance shall name Landlord as an additional insured, shall afford coverage for all claims based on any act, omission, event or condition that occurred or arose (or the onset of which occurred or arose) during the policy period. All property insurance shall name Landlord as loss payee as respects Landlord's interest in any improvements and betterments. Tenant shall deliver certificates of insurance, acceptable to Landlord, to Landlord at least ten (10) days before the Commencement Date. During the entire Term of this Lease, Landlord shall, at a minimum, procure and maintain the following insurance on or in connection with the Premises and common areas of the Building: (a) insurance against all physical loss or damage to the Premises and other improvements in the common areas of the Building in amounts not less than the actual "replacement cost" thereof; and (b) commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or as a result of the use of the common areas of the Building, in an amount not less than \$1,000,000.00 per occurrence with a \$2,000,000 aggregate limit, with a blanket broad form contractual endorsement, and such liability policy shall name Tenant as an additional insured.

7.04 Waiver of Subrogation. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all right of recovery, claim, action or cause of action, against each other, their agents, officers and employees, for any loss or damage that may occur to the Premises, improvements to the Building, or personal property within the Building, by reason of fire, explosion, or any other occurrence, regardless of cause or origin, including negligence of Landlord or Tenant and their agents, officers and employees. Landlord and Tenant agree immediately to give their respective insurance companies which have issued policies of insurance covering all risk of direct physical loss, written notice of the terms of the mutual waivers contained in this section and to have the insurance policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverages by reason of the mutual waivers.

7.05 Hold Harmless. Landlord shall not be liable to Tenant's employees, agents, invitees, licensees or visitors, or to any other person, for an injury to person or damage to property on or about the Premises caused by any act or omission of Tenant, its agents, servants or employees, any tenant in the Building, or of any other person entering upon the Premises under express or implied invitation by Tenant, or caused by the improvements located on the Premises arising out of repair, the failure or cessation of any service provided by Landlord (including security service and devices), or caused by leakage of gas, oil, water or steam or by electricity emanating from the Premises. Tenant agrees to indemnify and hold harmless Landlord of and from any loss, attorney's fees, expenses or claims arising out of any such damage or injury. Tenant shall not be liable to Landlord's employees, agents, invitees, licensees or visitors, or to any other person, for an injury to person or damage to property on or about the Premises

caused by any act or omission of Landlord, its agents, servants or employees, any tenant in the Building, or of any other person entering upon the Premises under express or implied invitation by Landlord, or caused by the improvements located on the Premises becoming out of repair, the failure or cessation of any service provided by Tenant (including security service and devices), or caused by leakage of gas, oil, water or steam or by electricity emanating from the Premises. Landlord agrees to indemnify and hold harmless Tenant of and from any loss, attorney's fees, expenses or claims arising out of any such damage or injury.

ARTICLE 8.00 CONDEMNATION

8.01 Substantial Taking. If all or a substantial portion of the Premises or a substantial portion of the Building (even though the Premises are not taken) are taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and the taking would prevent or materially interfere with the use of the Premises or the Building for the purpose for which it is then being used, then Landlord shall have the option to terminate this Lease and the rent shall be abated during the unexpired portion of this Lease effective on the date title or physical possession is taken by the condemning authority, whichever occurs first. Tenant shall have no claim to any condemnation award or proceeds in lieu thereof.

8.02 Partial Taking. If a portion of the Premises or a portion of the Building shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and this Lease is not terminated as provided in section 8.01 above, Landlord shall at Landlord's sole risk and expense, restore and reconstruct the Building and other improvements on the Premises to the extent necessary to make it reasonably tenantable. The rent payable under this Lease during the unexpired portion of the term shall be adjusted to such an extent as maybe fair and reasonable under the circumstances. Tenant shall have no claim to any condemnation award or proceeds in lieu thereof.

In no case shall Landlord be required to expend its own funds to repair and/or restore any damage caused by a full or partial taking described in this Section 8.02 in excess of the amount of the condemnation award. However, if the repair or restoration cost shall be in excess of the amount of the condemnation award, and if Landlord shall decide not to repair or restore the Building to its condition prior to the taking, then in such event Landlord shall provide written notice of Landlord's decision not to restore or repair such damage to Tenant within thirty days after the amount of the award has been determined. Upon receipt of such notice not to repair or restore from landlord, if, in Tenant's sole but reasonable discretion, the taking shall materially diminish the Premises such that they cannot be used for the normal conduct of Tenant's business, then in such event, Tenant may terminate this Lease without any liability therefor, within sixty (60) days of receipt of Landlord's written notice.

ARTICLE 9.00 ASSIGNMENT OR SUBLEASE

9.01 Landlord Assignment. Upon written notice to Tenant, Landlord shall have the right to sell, transfer or assign, in whole or in part, its rights and obligations under this Lease and in the Premises, provided that such assignee assume all of Landlord's right, title, interest and obligation hereunder. In the event of a sale where the assignee assumes Landlord's obligations hereunder, Landlord shall be released from any and all obligations under this Lease upon said assumption.

9.02 Tenant Assignment. Tenant shall not assign, this Lease or sublet the Premises, in whole or in part, without the prior written consent of Landlord which consent may not be unreasonably withheld. Notwithstanding anything to the contrary contained in this Lease, if the proposed subtenant or assignee is any entity which controls, is controlled by or is under common control with Tenant, or is any entity resulting from the merger or consolidation of Tenant, or is any person or entity which acquires assets of Tenant as a going concern of the business that is being conducted on the Premises (a "Permitted Transferee"), then Tenant may assign or sublet the Premises or any portion thereof to a Permitted Transferee subject only to Landlord's approval of the financial condition of the Permitted Transferee(a "Permitted Transfer"). Prior to the transfer to a Permitted Transferee, Tenant shall cause to be provided to Landlord accurate and up to date financial information (which information shall be held in strict confidence by Landlord) sufficient to allow Landlord to determine the financial viability of the Permitted Transferee. If the Permitted Transferee shall present a financial risk to Landlord that is commercially reasonable for

the Premises in the real estate market in Jackson Tennessee, then in such event Landlord shall approve the Permitted Transferee. If not, then the transfer shall not be allowed. Landlord shall notify Tenant of its approval or disapproval within fifteen (15) days from receipt of the financial information described above. In the event that Tenant transfers all or part of its interest in this Lease under this Section 9.02 to any entity in which or with which Tenant or its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions covering merger and consolidation of entities, then Tenant's obligations under this Lease must be assumed by the entity surviving such merger or created by such consolidation. For purposes of this section, "control" shall be deemed to mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Tenant or any such corporation or entity as the case may be, whether through the ownership of voting securities, by contract, or otherwise.

9.03 Conditions of Assignment. Except for an assignment to a Permitted Transferee, If Tenant desires to assign or sublet all or any part of the Premises, it shall so notify Landlord. Except for a Permitted Transfer, within fifteen (15) days after Landlord's receipt of Tenant's proposed assignment or sublease and all required information concerning the proposed subtenant or assignee, Landlord shall notify Tenant if it has consented to or refused such request

9.04 Subordination. Provided that Tenant is not in default of any of the covenants and conditions hereof Landlord shall use its best efforts to provide Tenant with an appropriate attornment, subordination and non-disturbance agreement ("Non-Disturbance Agreement") executed by all existing and, as and when applicable, future mortgagees or lessors, which Non-Disturbance Agreement shall be in form and substance satisfactory to Tenant and shall provide that this Lease shall be recognized by such mortgagees or lessors and the rights of Tenant as set forth herein shall remain in full force and effect during the Term of this Lease so long as Tenant shall continue to timely perform all the covenants and conditions of this Lease. No subordination of this Lease shall operate to modify the terms of this Lease with respect to the rights of the parties to any condemnation award or insurance proceeds. If the interests of Landlord under this Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of any first mortgage or deed of trust lien on the Premises, Tenant shall be bound to the transferee (sometimes called the "Purchaser") at the option of the Purchaser, under the terms, covenants and conditions of this Lease for the balance of the term remaining, including any extensions or renewals, with the same force and effect as if the Purchaser were Landlord under this Lease, and, if requested by the Purchaser, Tenant agrees to attorn to the Purchaser, including the first mortgagee under any such mortgage if it be the Purchaser, as its Landlord. Should Purchaser elect to maintain existence of the Lease, Tenant shall not be credited as against Purchaser any prepaid rents or offsets against or credits due from Landlord.

ARTICLE 10.00

[Intentionally Omitted]

ARTICLE 11.00 DEFAULT AND REMEDIES

11.01 Default by Tenant. The following shall be deemed to be events of default by Tenant under this Lease:

- (a) Tenant shall fail to pay, when due any installment of rent or any other payment required pursuant to this Lease within ten (10) days after the payment is due;
- (b) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and such failure shall continue for thirty (30) days after written notice from Landlord, provided, however, if such failure cannot reasonably be cured within such thirty (30) day period, then, provided Tenant has commenced such cure and diligently pursues same to completion, then such failure shall not be an event of default;
- (c) Tenant shall file a petition or be adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law, or admit that it cannot meet its financial obligations as they become due; or a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant shall make a transfer

in fraud of creditors or shall make an assignment for the benefit of creditors;

- (d) Tenant shall allow any illegal activity caused by its owners, shareholders, directors, managers, employees or customers to take place within the Premises; or
- (e) Tenant shall violate the assignment provisions of Article 9, above.

11.02 Remedies for Tenant's Default. Upon the occurrence of any event of default set forth in this Lease, Landlord shall have the option to pursue any one or more of the remedies set forth herein without any notice or demand.

- (1) Without declaring the Lease terminated, Landlord may terminate Tenant's possession of the Premises upon five (5) days' written notice to Tenant and upon entering into and taking possession of the Premises, by judicial means, expel or remove Tenant and any other person who may be occupying all or any part of the Premises without being liable for any claim for damages, and relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting.
- (2) Without declaring the Lease terminated, Landlord may upon five (5) days' written notice to Tenant enter upon the Premises, by judicial means, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may reasonably incur in effecting compliance with Tenant's obligations under this Lease.
- (3) Landlord may terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to surrender the Premises, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises, by judicial means, expel or remove Tenant and any other person who may be occupying all or any part of the Premises without being liable for any claim for damages. Tenant agrees to pay on demand the amount of all reasonable direct (but not special or consequential) damage which Landlord may suffer by reason of the termination of this Lease under this section, including without limitation, loss and damage due to the failure of Tenant to maintain and or repair the Premises as required hereunder and/or due to the inability to relet the Premises on terms satisfactory to Landlord or otherwise, and any expenditures made by Landlord in order to relet the Premises, including, but not limited to, leasing commissions, lease incentives (including free rent), and remodeling and repair costs. In addition, upon termination Landlord may collect from Tenant the value of all future rentals required to be paid under this Lease from the date Landlord terminates the Lease until the original termination date in accordance with applicable law. Notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated by Landlord only by mailing or delivering written notice of such termination to Tenant, and no other act or omission of Landlord shall be construed as a termination of this Lease.
- (4) Upon the occurrence of an event of default hereunder, Landlord shall use commercially reasonable efforts to relet the Premises and to otherwise mitigate its damages.

11.03 Default by Landlord. Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord and to any mortgagee or beneficiary under any deed of trust encumbering the Premises whose name and address have been previously furnished to Tenant in writing. Landlord shall not be in default under this Lease unless Landlord fails to cure such non-performance within thirty (30) days after written notice by Tenant, unless such performance cannot be reasonably made within that time, in which case Landlord shall not be in default if Landlord undertakes to cure the default and diligently proceeds to cure within a reasonable time. Should Landlord be in default of its obligations under this Lease, in addition to all other remedies available to Tenant under this Lease or at law or equity, Tenant may (but shall not be obligated to) perform the obligations of Landlord and the reasonable costs thereof shall be payable from Landlord to Tenant upon demand. If Landlord fails to reimburse Tenant on demand for the reasonable costs of performing Landlord's obligations, or if Landlord fails to pay Tenant any amounts due hereunder, within fifteen (15) days after Tenant gives Landlord written notice of such past due amount, then Tenant may in either of such events deduct any such amounts owing from Landlord from rents due or to become due to Landlord under this Lease.

ARTICLE 12.00

[Intentionally Deleted]

ARTICLE 13.00 DEFINITIONS

13.01 Act of God or Force Majeure. An "act of God" or "force Majeure" is defined for purposes of this Lease as strikes, lockouts, sitdowns, material or labor restrictions by any governmental authority, unusual transportation delays, riots, floods, washouts, explosions, earthquakes, fire, storms, weather (including wet grounds or inclement weather which prevents construction), acts of the public enemy, wars, insurrections and any other cause not reasonably within the control of the party in question and which by the exercise of due diligence of the Party in question is unable, wholly or in part, to prevent or overcome.

13.02 Building or Building. "Building" as used in this Lease means the property, including the Premises and the land upon which the Building is situated. "Building" as used in this Lease means the building described in section 1.02 of which the Premises are a part.

13.03 Commencement Date. "Commencement Date" shall be the date set forth in section 1.03. The Commencement Date shall constitute the commencement of the term of this Lease for all purposes, whether or not Tenant has actually taken possession.

13.04 Square Feet. "Square feet" or "square foot" as used in this Lease includes the area contained within the Premises together with a common area percentage factor (if applicable) of the Premises proportionate to the total Building area.

ARTICLE 14.00 MISCELLANEOUS

14.01 Waiver. Failure of Landlord to declare an event of default immediately upon its occurrence, or delay in taking any action in connection with an event of default, shall not constitute a waiver of the default, but Landlord shall have the right to declare the default at any time and take such action as is lawful or authorized under this Lease. Pursuit of any one or more of the remedies set forth in Article 11.00 above shall not preclude pursuit of any one or more of the other remedies provided elsewhere in this Lease or provided at law or in equity, nor shall pursuit of any remedy constitute forfeiture or waiver of any rent or damages accruing to Landlord by reason of the violation of any of the terms, provisions or covenants of this Lease. Failure by Landlord to enforce one or more of the remedies provided upon an event of default shall not be deemed or construed to constitute a waiver of the default or of any other violation or breach of any of the terms, provisions and covenants contained in this Lease.

14.02 Act of God. Neither Tenant (except for Tenant's obligation to pay rent) nor Landlord shall be required to perform any covenant or obligation in this Lease, or be liable in damages to each other, so long as the performance or non-performance of the covenant or obligation is delayed, caused or prevented by an act of God, force majeure or by the other party.

14.03 Attorney's Fees. In the event Tenant or Landlord defaults in the performance of any of the terms, covenants, agreements or conditions contained in this Lease and the non-defaulting party places in the hands of an attorney the enforcement of all or any part of this Lease, the collection of any rent due or to become due or recovery of the possession of the Premises, the defaulting party agrees to pay non-defaulting party's costs of collection, including reasonable attorney's fees for the services of the attorney, whether suit is actually filed or not.

14.04 Successors. This Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives, successors and assigns. It is hereby covenanted and agreed that should Landlord's interest in the Premises cease to exist for any reason during the term of this Lease, then notwithstanding the happening of such event this Lease nevertheless shall remain unimpaired and in full force and effect, and Tenant hereunder agrees to attorn to the then owner of the Premises.

To the extent that this section can be read to contradict §9, then §9 shall control.

14.05 Captions. The captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of any section.

14.06 Notice. All rent and other payments required to be made by Tenant shall be payable to Landlord at the address set forth in section 1.05. All payments required to be made by Landlord to Tenant shall be payable to Tenant at the address set forth in Section 1.05 or at any other address within the United States as Tenant may specify from time to time by written notice. For purposes hereof, any notice or document required or permitted to be delivered by the terms of this Lease (other than delivery of rental payments) shall be deemed to be delivered upon the earlier of actual receipt or (whether or not actually received) when deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the parties at the respective addresses set forth in section 1.05. Rental payments shall be deemed received upon actual receipt. **Except as specifically set forth herein, in no event shall notice by facsimile transmission be proper notice under the terms of this Lease.**

14.08 Submission of Lease. Submission of this Lease to Tenant for signature does not constitute a reservation of space or an option or offer to lease. This Lease is not deemed effective until execution by and delivery to both Landlord and Tenant.

14.09 Authority. Tenant and Landlord represent and warrant to each other that the persons executing this Lease on behalf of Tenant and Landlord do hereby personally represent and warrant that each person signing on behalf of such party is authorized to do so.

14.10 Severability. If any provision of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

14.11 Governing Law. THIS LEASE SHALL BE CONSTRUED UNDER; AND IN ACCORDANCE WITH THE LAWS OF, THE STATE OF TENNESSEE.

14.12 Brokers. Tenant and Landlord represent and warrant to each other that they have dealt with no broker except James Rainer of NG Memphis ("Tenant's Broker") and Chris Carothers of Hickman Realty Group Inc. and that no other broker negotiated this Lease or is entitled to any commission in connection herewith on behalf of the respective party. The Parties hereto shall indemnify and hold each other harmless from and against all claims (and costs of defending against, and investigating such claims) of any other broker or similar parties claiming under the other party in connection with this Lease. Landlord represents and warrants to Tenant that Landlord shall pay a commission to the brokers identified and Tenant shall have no liability therefor.

Upon execution of this Lease, Landlord shall pay Tenant's Broker a commission equal to 4% of the gross lease value for the initial term, which equals \$33,058.40 and this shall fully satisfy Landlord's obligations to Tenant's Broker

ARTICLE 15.00 AMENDMENTS

15.01 Amendment. This Lease may not be altered, waned, amended or extended except by an instrument in writing signed by Landlord and Tenant.

ARTICLE 16.00 OTHER PROVISIONS

16.01 Renewal Option: If at the end of the original term of this Lease Tenant, is hereby granted the options to renew this Lease for two (2) additional terms of five (5) years each upon the same terms and conditions contained in this Lease with the following exceptions:

A. Base Rent during each year of the renewal terms shall be at a mutually agreed upon rate not to exceed One Hundred and three percent (103%) of the base Rent for the year immediately preceding each year during the renewal term unless otherwise mutually agreed to by Landlord and Tenant in writing; and

B. After the expiration of each renewal term, there will be one less renewal term unless expressly set forth herein or granted by Landlord in a subsequent written agreement.

If Tenant desires to exercise its renewal options hereunder, Tenant shall notify Landlord in writing of its intention to renew not later than ninety (90) days prior to the expiration date of the initial term of this Lease and/or other renewal terms of this Lease.

16.04 Option to Cancel: Tenant shall have the option to cancel this Lease in the event that Tenant is unable to obtain the required state of Tennessee or federal licenses to operate an outpatient addiction treatment and counseling services business, including, if applicable, a Certificate of Need permit (CON) issued by the Tennessee Health Services and Development Agency or any other certificates, permits or licenses issued by any other governmental agency (the "Option to Cancel"). If Tenant is unable to obtain said required licenses and or CON permit during said time period, Tenant shall notify Landlord in writing of its intention to exercise the Option to Cancel. In such event, Tenant shall immediately return possession of the Premises to Landlord. If Tenant exercises its Option to Cancel, Tenant shall reimburse Landlord for the cost of any paid Allowance and the brokerage fees paid to Tenant's Broker, within thirty (30) days of exercising its Option.

16.05 Guaranty: As a partial inducement for Landlord's willingness to enter into this Lease, Landlord hereby accepts that certain guaranty agreement signed by DRD Management, Inc., a Missouri corporation, an affiliate of Tenant.

16.06 Financial Statements. To Tenant's knowledge, the financial statements presented to the Landlord fairly and accurately (in all material respects) represent the financial condition of the Tenant. as of the date listed on such financials.

ARTICLE 17.00 SIGNATURES

SIGNED this 7 day of Feb, 2014.

Landlord:


Jeff Cantrell

Tenant: See next page

VCPHCS XIX, a Delaware limited liability company

By: _____

Name: _____

Its: _____

If Tenant desires to exercise its renewal options hereunder, Tenant shall notify Landlord in writing of its intention to renew not later than ninety (90) days prior to the expiration date of the initial term of this Lease and/or other renewal terms of this Lease.

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ARTICLE 17.00 SIGNATURES

SIGNED this _____ day of _____, 2014.

Landlord:

Jeff Cantrell

Tenant:

VCPHCS XIX, a Delaware limited liability company

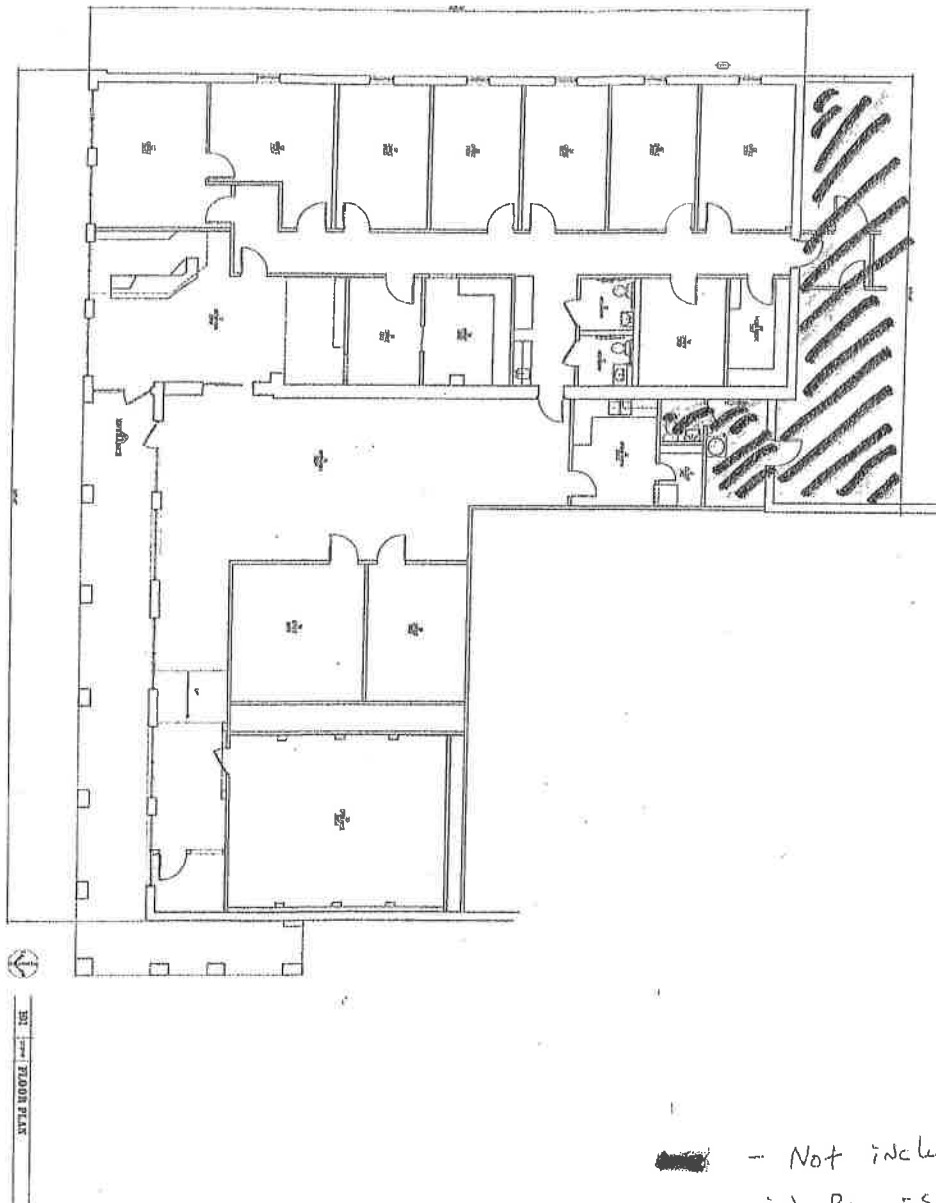
By: 

Name: JAMES F. DRAHOT

Its: PRESIDENT & COO

Exhibit A

[continues on following pages]



<p>2 AI FLOOR PLAN</p>		<p>Asbuilt 58 Carriage House Drive Jackson, Tennessee</p>	<p>DENTON ARCHITECTURE</p>	<p>REVISIONS</p>
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B.III.--Plot Plan

B.IV.--Floor Plan



BHG

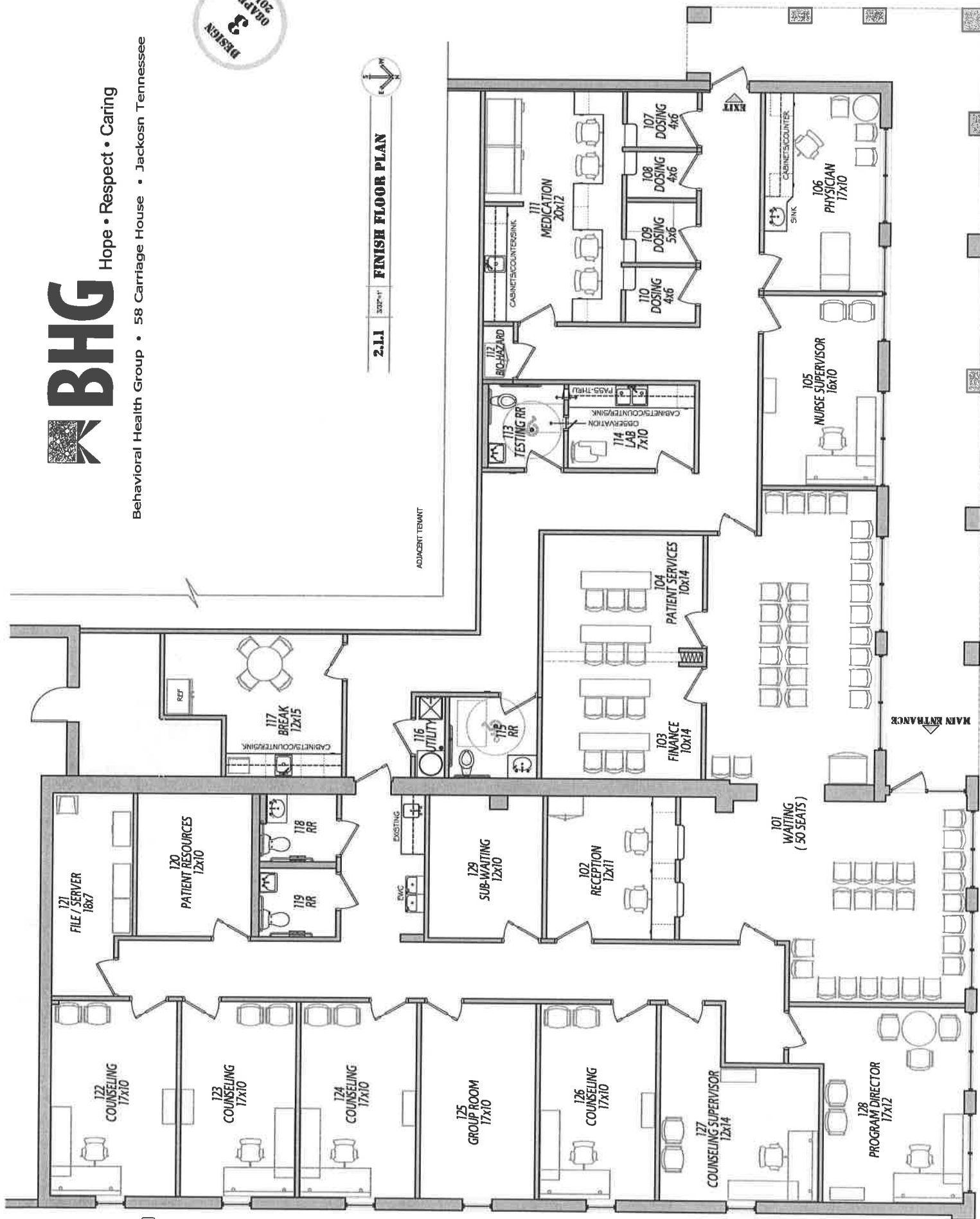
Hope • Respect • Caring

Behavioral Health Group • 58 Carriage House • Jackson Tennessee

DESIGN
3
04/18/2014

2.1.1 FINISH FLOOR PLAN

332'-1"



C, Need--1.A.3.e.
Medical Director Qualifications

CHRIS MARSHALL, M.D.

135 Towns Edge Drive
Parsons, TN 38363
Work Phone: 931-589-2222
Fax: 931-589-2400
Email: camarshall260@yahoo.com

EMPLOYMENT

Doctor of Medicine	July 2009 – Present	Averett Medical Group: Family Physician 62 Medical Drive Linden, TN 37096 931-589-2222 Fax: 931-589-2400
	July 2009 – Present	Perry Community Hospital: Admitting/ER Physician 2718 Squirrel Hollow Drive Linden, TN 37096 931-589-2121
	May 2010 – Present	EMCare: Part Time ER Physician 1717 Main St., Suite 5200 Dallas, TX 75201 800-362-2731 Fax: 214-712-2444 McKenzie Regional Hospital 161 Hospital Dr. McKenzie, TN 38201 731-352-5344
	Nov. 2008 – June 2009	Immediate Care Clinic: Part-Time General Physician 405 S. Rogers Wells Blvd. Glasgow, KY 42141
	Sept. 2007 – June 2009	Inspire Medical: Part-Time ER Physician 2323 Lime Kiln Lane Louisville, KY 40222 Caverna Memorial Hospital – ER Horse Cave, KY Jane Todd Crawford Hospital – ER Greensburg, KY
	July 2006 – June 2009	Univ. of Louisville / Glasgow: Resident Family Medicine Residency: Glasgow, KY

BOARD CERTIFICATION

Family Medicine	2009	American Board of Family Medicine
Addiction Medicine	2010	American Board of Addiction Medicine

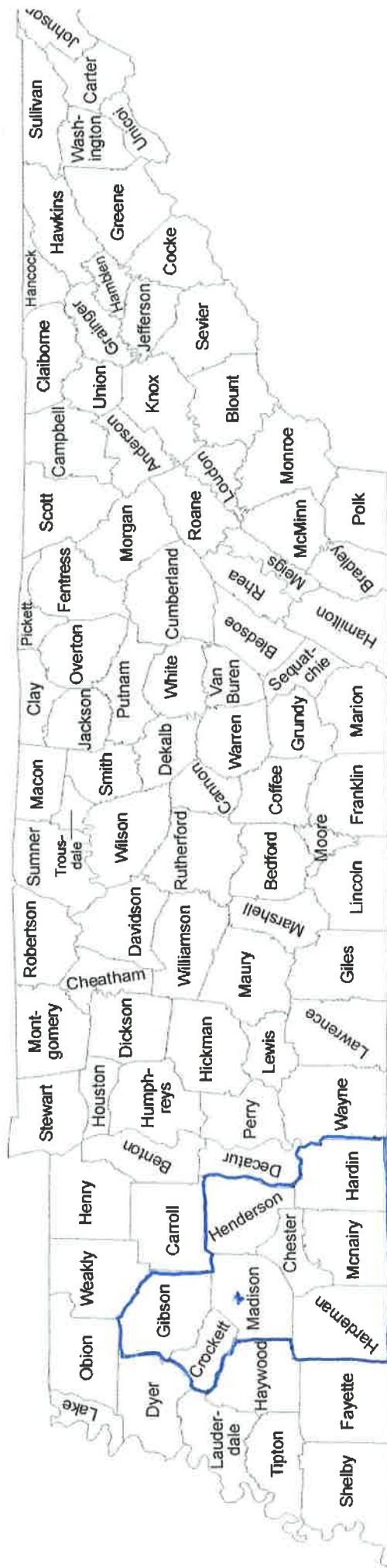
EDUCATION

Medical	2002-2006	University of Tennessee College of Medicine: Memphis Doctor of Medicine: <i>May 2006</i>
Undergraduate	2001-2002	Graduate courses to strengthen medical school application
	1995 - 2000	University of Tennessee at Martin Bachelor of Arts with a major in Philosophy: <i>Dec. 2000</i> Bachelor of Science with a major in Biology: <i>Dec. 2000</i>

PROFESSIONAL ASSOCIATIONS

American Society of Addiction Medicine: Member since 2010
American Medical Association: Member since 2005
American Academy of Family Physicians: Member since 2002
Tennessee Academy of Family Physicians: Member 2002-2006, 2009-Present
Tennessee Medical Association: Member 2002-2006, 2009-Present
Kentucky Medical Association : Member 2006-2009
Barren County Medical Society: Member 2006-2009
Family Practice Student Association: Member 2002 - 2006
Secretary/Treasurer 2005-2006

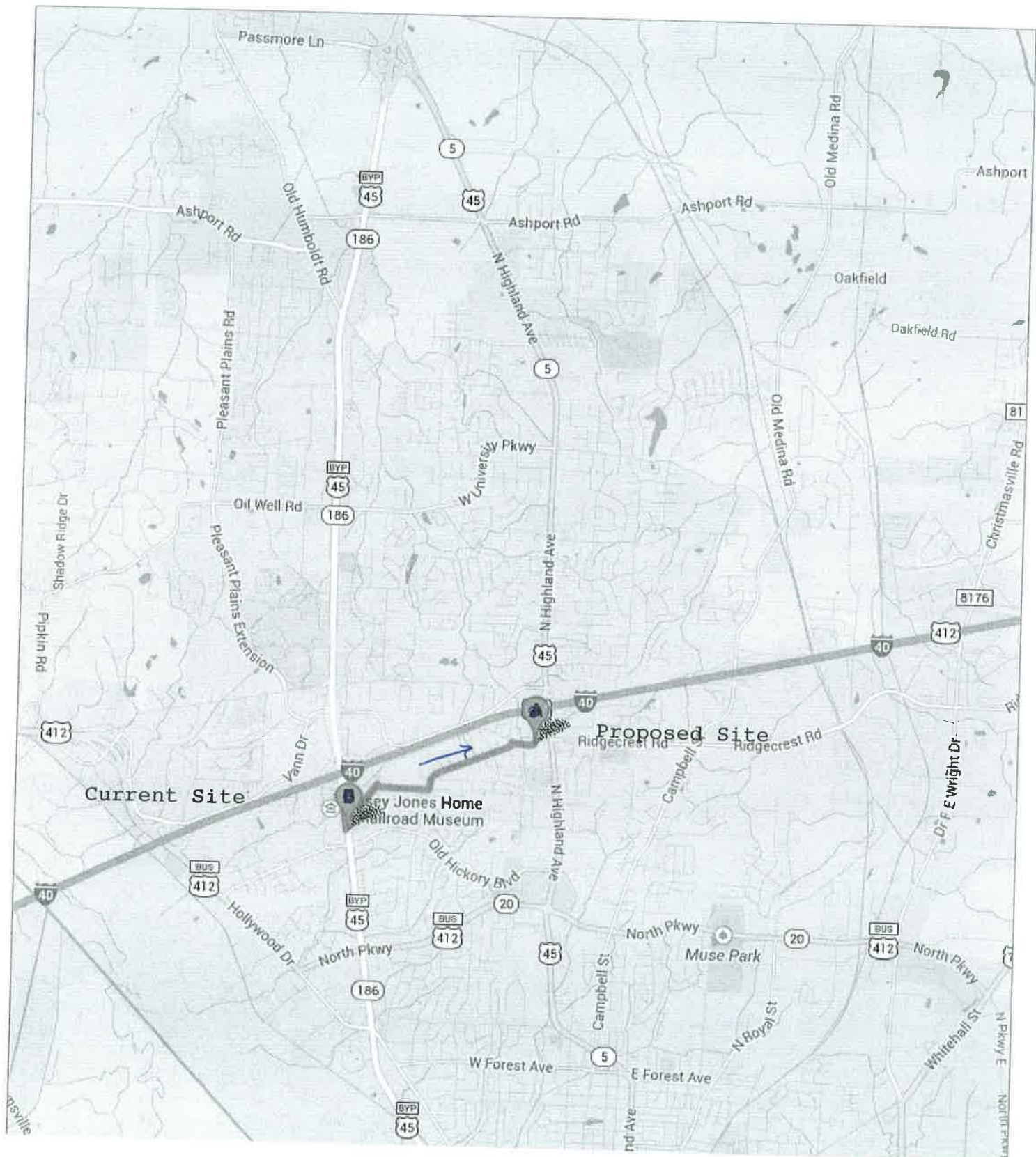
C, Need--3
Service Area Maps



BHG JACKSON TREATMENT CENTER
PRIMARY SERVICE AREA

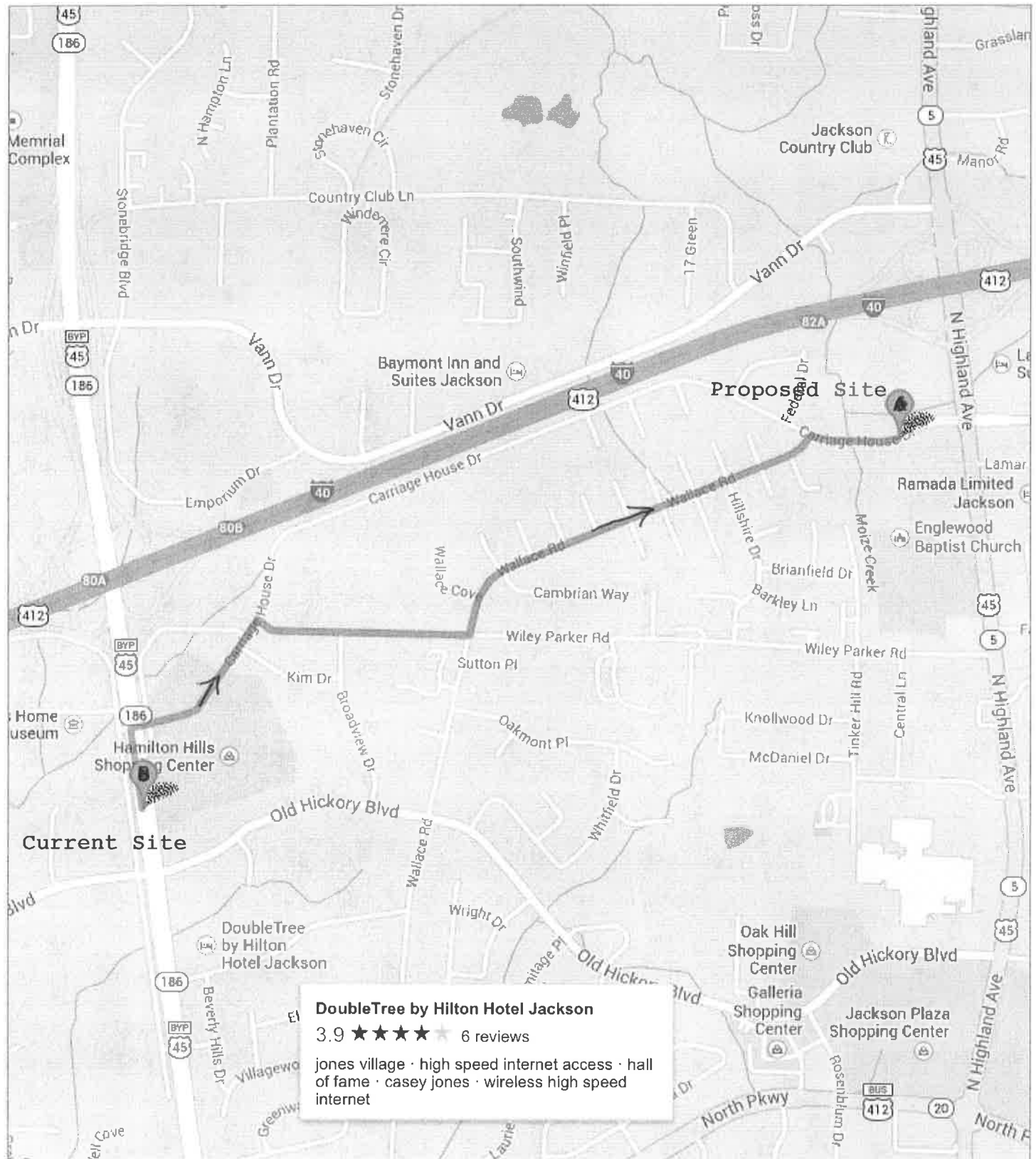
Google

To see all the details that are visible on the screen, use the "Print" link next to the map.



Google

To see all the details that are visible on the screen, use the "Print" link next to the map.



C, Economic Feasibility--1
Documentation of Construction Cost Estimate

C, Economic Feasibility--2
Documentation of Availability of Funding



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8300 Douglas Avenue
Suite 750
Dallas, TX 75225
214-365-6100
bhgrecovery.com

May 14, 2014

Melanie M. Hill, Executive Director
Tennessee Health Facilities Commission
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: BHG Jackson Treatment Center
Certificate of Need Application to Change Location

Dear Mrs. Hill:

VCPHCS XIX, LLC dba BHG Jackson Treatment Center is applying for a Certificate of Need to relocate within Jackson to a newer building approximately 1.5 miles from its current site. This will require a capital expenditure estimated at approximately \$530,000.

The applicant LLC's only member is VCPHCS L.P., a limited partnership which does business as Behavioral Health Group (BHG). I am the President & Chief Operating Officer of Behavioral Health Group.

I am writing to confirm that VCPHCS XIX, LLC and its member have sufficient cash reserves to implement this project. The LLC's income statement and balance sheet are included in the application as documentation of its ability to provide funding.

Sincerely,

James F. Draudt
President & Chief Operating Officer

C, Economic Feasibility--10
Financial Statements

C, Orderly Development--7(C)
TDH Inspection & Plan of Correction



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Corporate Headquarters
8300 Douglas Ave, Ste 750
Dallas, TX 75225

November 4th, 2013

Sandra Randle
TDMHSAS
West Tennessee Office of Licensure
170 N. Main, 12th Floor
Memphis, TN 38103

RE: Plan of Correction: Licensure Notice of Non-Compliance

Dear Ms. Randle,

Please accept this correspondence as our formal Plan of Compliance regarding the Notice of Non-Compliance for Jackson Professional Associates (BHG – Jackson Treatment Center issued on October 31st, 2013.

1. **0940-5-4-.04(2): Criteria. For the purpose of life safety, facilities required to meet business occupancies must comply with the applicable standards of the Life Safety Code of the National Fire Protection Association...**
 - a. Finding: "Two exit lights near the dosing windows and the exit light over the exterior exit door in the second waiting area were partially illuminated"
 - i. Planned Date of Completion: 11/1/13
 - ii. Plan of Compliance: Electricians have replaced the bulbs and all lights are serviceable. All emergency lights are checked during our monthly Life and Safety checklist, and annotated as such.
2. **0940-5-5-.02(2): The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well ventilated, and free from foul, stale or musty odors.**
 - a. Finding: "Three dirty towels were atop the counters in the safe room."
 - i. Planned Date of Completion: 11/1/13
 - ii. Plan of Compliance: The nurses are no longer using cloth towels to clean their workstations. Instead, they are using disposable disinfectant wipes.
3. **0940-5-5-.02(3): The facility must be kept free of mice, rats, and other rodents;**
 - a. Finding: "An accumulation of mouse droppings were in tow drawers in the safe room"
 - i. Planned Date of Completion: 11/1/13
 - ii. Plan of Compliance: The exterminator treats the facility monthly, but we called him specifically to point out these findings. The report of that inspection is attached. It was determined that we have no current infestation of rodents, and that the droppings were likely old.
4. **0940-5-6-.01(1): The governing body must ensure that the facility complies with all applicable federal state, and local laws, ordinances, rules, and regulations.**
 - a. Finding: "The door leading from the hall into the records room was unlocked, allowing access to confidential service recipient records. In addition, a portion of this area is used as a staff break room is accessible to all staff. File cabinets used to store current



Corporate Headquarters
8300 Douglas Ave, Ste 750
Dallas, TX 75225

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and discharged service records were not locked. The door leading to the nurses' station was not equipped with a self-closing / self-locking door."

- i. Planned Date of Completion: 11/1/13
 - ii. Plan of Compliance:
 1. All filing cabinets in the break room have been relocated to the filing room and secured.
 2. The door to the file room will remain locked at all times. Only BHG personnel will have a key to the file room.
 3. Non-BHG Personnel (Cleaning and Security) will only have access to the break room when accompanied by BHG personnel.
 4. SENT EMAIL TO SANDY REGARDING LOCKED DOOR ISSUE
5. **0940-5-6-.01(1): The governing body must ensure that the facility complies with all applicable federal state, and local laws, ordinances, rules, and regulations.**
- a. Finding: "A criminal background check was not documented in the personnel record for Dr. Chris Marshall. A check of the abuse registry prior to hire was not documented in the personnel records for Dr. Chris Marshall, Cynthia Baker, or Juanita Pledge."
 - i. Planned Date of Completion: 11/1/13
 - ii. Plan of Compliance: The criminal background check for Dr. Marshall was received on 11/1/13. The abuse registry checks were kept in the Dallas-based Human Resources files, and were requested. These are now present in the Team Member files.
6. **0940-5-42-.15(1)(e): All medication shall be stored in a locked safe when not being administered or self-administered.**
- a. Finding: "Bottles of Methadone which were note being used at the time were sitting atop a counter in the safe room out of view of nursing staff rather than being secured in a locked safe."
 - i. Planned Date of Completion: 11/1/13
 - ii. Plan of Compliance: Nurses were instructed to keep out only the quantity of medication required to continue dosing efficiently. Any medication that is out of the safe will be with the nurses at all times.
7. **0940-5-42-.29(2): Tuberculosis. All new employees, including volunteers who have routine contact with service recipients, shall be tested within three business days of employment for latent TB infection utilizing the two-step Mantoux method or a single interferon-gama release blood assay. Employees shall have a test for tuberculosis annually..."**
- a. Finding: "Results of initial and annual test for tuberculosis were not in the personnel record for Dr. Chris Marshall. Evidence of an annual test due January 2013 was not documented in the personnel record for Keesha Reed."
 - i. Planned Date of Completion: 11/1/13 and 12/15/13
 - ii. Plan of Compliance: The TB test for Keesha Reed was conducted on 1/1/13 and was on file. Dr. Marshall's TB test will be re-done on 12/15/13.

Should you develop any questions or comments regarding these items, please feel free to contact me at 580-919-9759.

Sincerely,



Hope • Respect • Caring

Corporate Headquarters
8300 Douglas Ave, Ste 750
Dallas, TX 75225

Derek F. Walsh
Regional Director
Behavioral Health Group
8300 Douglas Avenue, Suite 750
Dallas, TX 75225



STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
West Tennessee Regional Office of Licensure
951 Court Avenue
MEMPHIS, TENNESSEE 38103

BILL HASLAM
GOVERNOR

E. DOUGLAS VARNEY
COMMISSIONER

LICENSURE NOTICE OF NON-COMPLIANCE

TO: VCPHCS XIX, LLC
8300 Douglas Avenue
Dallas, TX 75225

DATE OF NOTICE:
October 31, 2013
Page 1 of 4

FACILITY IN NON-COMPLIANCE:
Jackson Professional Associates
1869 Highway 45 Bypass, Suite 5
Jackson, TN 38305

Plan of Compliance due by: 11/14/13

Site ID:
3249

EVENT & DATE RESULTING
IN THIS NOTICE:
Annual Inspection
October 24, 2013

NOTICE TO LICENSEE: The facility above has been found to be non-compliant with the rule(s) listed herein. You must provide a plan for complying with each rule cited. Your plan of compliance may be specified in the space provided below or by separate document. If a separate document, your plan should reference each rule by item or rule number, must include the date by which you will be compliant, and an authorizing signature. Your plan must be received by the TDMHSAS regional office listed above by the date indicated herein.

PLEASE RETAIN A COPY OF YOUR PLAN OF COMPLIANCE UPON SUBMISSION
IT WILL NOT BE RETURNED TO YOU BY THIS OFFICE

YOUR PLAN OF COMPLIANCE MUST BE RETURNED NO LATER THAN: November 14, 2013

Item Rule Number Rule Description & Findings event ID:682

0940-5-4 Life Safety Licensure Rules

0940-5-4-.04 BUSINESS OCCUPANCIES

0940-5-4-.04(2) Criteria. For the purpose of life safety facilities required to meet business occupancies must comply with the applicable standards of the Life Safety Code of the National Fire Protection Association, 1985 Edition, Business Occupancies, Chapter 26 (new) or Chapter 27 (existing) or equivalent standards hereafter adopted by the Office of the State Fire Marshal.

* critical *

1 Two exit lights near the dosing windows and the exit light over the exterior exit door in the second waiting area were partially illuminated.

Licensee's Planned Date of Completion: / /

2,767

Licensee's Plan of Compliance (use a separate page if more space is needed):

0940-5-5 Adequacy of Facility Environment and Ancillary Services

0940-5-5-.02 GENERAL ENVIRONMENTAL REQUIREMENTS FOR ALL FACILITIES.

Item Rule Number

Rule Description & Findings

event ID:682

0940-5-5 Adequacy of Facility Environment and Ancillary Services	
2	<p>0940-5-5-.02(2) The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well-ventilated, and free from foul, stale or musty odors.</p> <p>Three dirty towels were atop the counters in the safe room.</p> <p>Licensee's Planned Date of Completion: <input type="text"/> / <input type="text"/> / <input type="text"/></p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p style="text-align: right;">2,553</p>
3	<p>0940-5-5-.02(3) The facility must be kept free of mice, rats, and other rodents.</p> <p>An accumulation of mouse droppings were in two drawers in the safe room.</p> <p>Licensee's Planned Date of Completion: <input type="text"/> / <input type="text"/> / <input type="text"/></p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p style="text-align: right;">2,554</p>
0940-5-6 Program Requirements for All Facilities	
4	<p>0940-5-6-.01 GOVERNANCE REQUIREMENTS FOR ALL FACILITIES.</p> <p>0940-5-6-.01(1) The governing body must ensure that the facility complies with all applicable federal, state, and local laws, ordinances, rules, and regulations.</p> <p>The door leading from the hall into the records room was unlocked, allowing access to confidential service recipient records. In addition, a portion of this area is used as a staff break room and is accessible to all staff. File cabinets used to store current and discharged service records were not locked.</p> <p>The door leading into the nurse's station was not equipped with a self-closing self-locking door. Note: The lock was a deadbolt that required action on the part of the staff each time.</p> <p>Licensee's Planned Date of Completion: <input type="text"/> / <input type="text"/> / <input type="text"/></p> <p>Licensee's Plan of Compliance (use a separate page if more space is needed):</p> <p style="text-align: right;">2,655</p>

Item Rule Number Rule Description & Findings

event ID:682

0940-5-6 Program Requirements for All Facilities

0940-5-6-.01(1) The governing body must ensure that the facility complies with all applicable federal, state, and local laws, ordinances, rules, and regulations.

6

A criminal background check was not documented in the personnel record for Dr. Chris Marshall.

A check of the abuse registry prior to hire was not documented in the personnel records for Dr. Chris Marshall, Cynthia Baker, or Juanita Pledge.

Licensee's Planned Date of Completion: / /

3,703

Licensee's Plan of Compliance (use a separate page if more space is needed):

0940-5-42 Minimum Program Requirements for Non-Residential Opioid Treatment Program Facilities

0940-5-42-.15 MEDICATION MANAGEMENT.

0940-5-42-.15(1)(e) All medications shall be stored in a locked safe when not being administered or self-administered.

* critical *

7

Bottles of Methadone which were not being used at the time were sitting atop a counter in the safe room out of view of the nursing staff rather than being stored in the locked safe.

Licensee's Planned Date of Completion: / /

4,301

Licensee's Plan of Compliance (use a separate page if more space is needed):

0940-5-42-.29 PERSONNEL AND STAFFING REQUIREMENTS.

0940-5-42-.29(2) Tuberculosis.

(a) All new employees, including volunteers who have routine contact with service recipients, shall be tested within three business days of employment for latent tuberculosis infection utilizing the two-step Mantoux method or a single Interferon-gamma release blood assay (IGRA).

(b) Employees shall have a test for tuberculosis annually and at the time of exposure to active tuberculosis and three months after exposure. Annual tuberculosis testing of previously TST-negative employees and volunteers shall be performed by the one-step Mantoux method.

(c) Employee records shall include the date and type of annual tuberculin tests given to the employee, date of tuberculin test results, and, if applicable, date and results of chest x-ray and any drug treatment for tuberculosis.

8

Results of initial and annual test for tuberculosis were not in the personnel record for Dr. Chris Marshall. Evidence of an annual test due January 2013 was not documented in the personnel record for Keesha Reed.

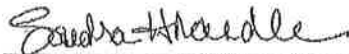
Licensee's Planned Date of Completion: / /

4,527

Licensee's Plan of Compliance (use a separate page if more space is needed):

PLEASE NOTE THAT THE STATE OPIOID TREATMENT AUTHORITY (SOTA) ALSO CONDUCTS A PROGRAM SURVEY
THAT MAY RESULT IN A SEPARATE NOTICE OF NON-COMPLIANCE

Please contact me if you have questions.



Sandy Randle
West Tennessee Surveyor

SIGNATURE OF LICENSEE OR AUTHORIZED
AGENT

DATE OF SIGNATURE

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - Measure of Success Form

Due Date: 1/16/2013

BHC Standard RC.02.01.01 The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Elements of Performance:

2. The clinical/case record of the individual served contains the following clinical information: - The reason(s) for admission for care, treatment, or services - The initial diagnosis, diagnostic impression(s), or condition(s) - Any findings of assessments and reassessments - Any allergies to food - Any allergies to medications - Any conclusions or impressions drawn from the medical history and physical examination - Any diagnoses or conditions established during the course of care, treatment, or services - Any consultation reports - Any observations relevant to care, treatment, or services - The response to care, treatment, or services - Any emergency care, treatment, or services provided prior to arrival - Any progress notes - Any medications ordered or prescribed - Any medications administered, including the strength, dose, and route - Any access site for medication, administration devices used, and rate of administration (for intravenous therapy) - Any adverse drug reactions - Treatment goals, plan of care, and revisions to the plan of care, treatment, or services - Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category: C

Stated Goal (%): 100

Month 1 Date: 10/2012

Month 1 Actual Goal (%): 100

Month 2 Date: 11/2012

Month 2 Actual Goal (%): 100

Month 3 Date: 12/2012

Month 3 Actual Goal (%): 100

Month 4 Date: 01/2013

Month 4 Actual Goal (%): 100

Actual Average Goal (%): 100

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 45-day Evidence of Standards Compliance Form

Due Date: 9/2/2012

BHC Standard RC.02.01.01 The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Findings: EP 2 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. 'The treatment plan in one clinical record addressed the patient's history of depression. The clinical record did not provide information in the assessments about the patient's history of depression. The assessment queried whether the patient had received previous mental health treatment and the patient responded "yes." There was no further information documentation about the mental health treatment or about the current depression addressed in the treatment plan. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in a second patient's clinical record indicated that the patient began treatment the previous day (6/24/2012) at an affiliated methadone clinic and was guest dosed the second day at this methadone clinic. The documentation required for guest dosing was faxed to this organization (order, physical evaluation) on 6/26/2012 and the patient was dosed at this clinic on 6/25/2012. This clinic did not receive documentation related to the patient's response to the first dose of methadone and this clinic did not document their observation of the patients second dose of methadone. The patient was admitted to this clinic on 6/26/2012. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The information in four clinical records reviewed contained "dates of enrollment" that were different from the date the physician admitted this patient to this clinic. Interviews with staff indicated that the "date of enrollment" was the date of the first communication with the person. The clinical record did not

contain information about any interactions, communications or pre-screenings that transpired with the persons prior to the date that the person got admitted to the organization.

Elements of Performance:

2. The clinical/case record of the individual served contains the following clinical information: - The reason(s) for admission for care, treatment, or services - The initial diagnosis, diagnostic impression(s), or condition(s) - Any findings of assessments and reassessments - Any allergies to food - Any allergies to medications - Any conclusions or impressions drawn from the medical history and physical examination - Any diagnoses or conditions established during the course of care, treatment, or services - Any consultation reports - Any observations relevant to care, treatment, or services - The response to care, treatment, or services - Any emergency care, treatment, or services provided prior to arrival - Any progress notes - Any medications ordered or prescribed - Any medications administered, including the strength, dose, and route - Any access site for medication, administration devices used, and rate of administration (for intravenous therapy) - Any adverse drug reactions - Treatment goals, plan of care, and revisions to the plan of care, treatment, or services - Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category: C

Corrective Action Taken:

WHO:

The staff responsible for the corrective action and ongoing compliance are Barbara Doty (Program Director), Richard Jones, LADAC (Clinical Supervisor), Carolyn Thomas, LPN (Nursing Supervisor) and Ruzella Murphy (Administrative Support). Mrs. Doty, Mr. Jones and Mrs. Thomas conducted a training regarding treatment plans, treatment plan worksheets, biopsychosocial assessments and medical assessments. Mrs. Murphy conducted a training regarding the Inquiry Program versus the effective enrollment date into MMT. These trainings included form instruction training on the BHG extranet sight.

WHAT:

Mrs. Doty and Mr. Jones conducted a formal training on treatment plans, treatment plan worksheets, clinical assessments and biopsychosocial assessments. Mrs. Thomas conducted a medical training regarding nursing assessments, guest dose/permanent transfer paperwork and appropriate medical documentation regarding initial contact with patients. Mrs. Murphy conducted a formal training on the initial contact with patients (Inquiry Program) versus the effective date of a patient being enrolled in

MMT. A formal training roster has been completed for all staff, with signatures for verification of the training.

WHEN:

The trainings were conducted on the following dates: 1. Treatment Plans, treatment plan worksheet, biopsychosocial assessments and forms instructions training was conducted on August 29, 2012. 2. The medical assessment, guest dose/permanent transfer paperwork, forms instructions along with appropriate medical documentation on initial contact was conducted on August 29, 2012. 3. The Inquiry Program training versus the effective date for enrollment into the MMT was conducted on July 23, 2012.

HOW:

It is BHG's current policy to complete a chart audit inspection of one third of the census each month in order to complete the entire census within the quarter. This chart or "peer review" inspection would include treatment plans, treatment plan worksheets, biopsychosocial, medical and enrollment dates for MMT program versus Inquiry Program.

Evaluation Method: Barbara Doty (Program Director), Richard Jones, LADAC, Carolyn Thomas, LPN and Ruzella Murphy will be the persons responsible for ensuring and assessing that the corrective action plan is being completed. They will audit a random sampling of 50 cases each month for a four month track record, auditing for treatment plans, treatment plan worksheets, biopsychosocial assessments, medical documentation regarding guest dose/permanent transfer and initial patient contact versus when a patient enrolls in MMT. The goal is to be 100% compliant.

Measure of Success Goal (%): 100

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 60-day Evidence of Standards Compliance Form

Due Date: 9/17/2012

BHC Standard HR.02.01.03 The organization assigns initial, renewed, or revised clinical responsibilities to staff who are permitted by law and the organization to practice independently.

Findings: EP 23 Observed in Competency Session at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The assignment of clinical responsibilities has not been completed for one of two LIP's who provide medical care in this organization

Elements of Performance:

23. The governing body approves, in writing, clinical responsibilities.

Scoring Category: A

Corrective Action Taken:

WHO:

Director of Human Resources, Nancy Peek completed the NPDB on 9/6/12 for Dr. Moragne. Stacey Harris, Director of Compliance/QA completed the Clinical Assignment of Responsibilities and will be responsible for the ongoing compliance.

WHAT:

Director of Human Resources, Nancy Peek completed the NPDB 9/6/12 for Dr. Moragne. LIP packet was completed by Dr. Moragne on 9/5/12. Stacey Harris, Director of Compliance/QA completed the assignment of Clinical Responsibilities on 9/6/12 regarding Dr. Moragne.

WHEN:

The LIP application was completed on 9/5/12 by Dr. Moragne. Nancy Peek completed the NPDB on 9/6/12 Stacey R. Harris completed the Assignment of clinical Responsibilities on 9/6/12.

HOW:

The process for hiring LIP's was in place at time of survey. No changes were made to the process. The clinic failed to follow the current policies and procedures. The Director of Compliance will monitor quarterly for ongoing compliance with the LIP applications utilizing the HR audit tool.

BHC Standard LD.04.01.07 The organization has policies and procedures that guide and support care, treatment, or services.

Findings: EP 1 Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The policies and procedures specific to Temporary Transfers (or guest dosing) did not address the

interim procedures to be implemented when a person requesting immediate admission to this clinic begins treatment at an affiliated clinic and then guest doses at this clinic until the day they can be scheduled to this clinic for admission to this clinic. Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The admission and scope of assessment policy or policies did not clearly address the criteria for either reviewing an revising an assessment or initiating a new assessment when a patient was initially admitted to an affiliated clinic and then transferred to this clinic within a short time.

Elements of Performance:

1. Leaders review and approve policies and procedures that guide and support care, treatment, or services.

Scoring Category: A

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

WHAT:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012.

WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is responsible for the corrective action plan and ongoing compliance.

BHC Standard MM.04.01.01 Medication orders are clear and accurate. Note: This standard is applicable only to organizations that prescribe medications. The elements of performance in this standard do not apply to prescriptions written by a prescriber who is not affiliated with the organization.

Findings: EP 5 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in one clinical record indicated that the patient was guest dosed at this clinic the day before the order was faxed to the clinic.

Elements of Performance:

5. For organizations that prescribe medications: The organization has a written policy that defines actions to take when medication orders are incomplete, illegible, or unclear.

Scoring Category: A

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

WHAT:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012.

WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the clinical and medical staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is the person responsible for the corrective action plan and ongoing compliance.

Miscellaneous Information



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Addiction affects friends and family as well as the person suffering from addiction. BHG supports families as their loved ones move through the treatment process. ↗

For Families

For Communities

Behavioral Health Group (BHG) is a leading provider of opioid addiction treatment services.

With 37 locations in Colorado, Kansas, Kentucky, Louisiana, Missouri, Oklahoma, Tennessee, and Texas, BHG provides pharmacotherapeutic maintenance and detoxification services in a conventional outpatient setting.

BHG's services include Methadone maintenance and Buprenorphine (aka: Suboxone) maintenance programs.

At Behavioral Health Group, we believe that all human beings possess inherent worth and deserve compassion, dignity, and respect, regardless of addiction, age, sex, health status, sexual orientation, disability, or social or ethnic origin. We are committed to the belief that no patient should walk through the doors of our treatment centers without feeling a sense of **Hope, Respect, and Caring.**

We work with patients to restore, maintain, and enhance their personal well-being - and, in doing so, we improve the well-being of their families, friends, and communities. Ultimately, we help patients make a positive difference in their own lives and, by extension, in their communities.

[Click here to view a list of our treatment center locations.](#)

Frequently Asked Questions:

Q: Why do we need an opioid treatment facility in this community?

Drug addiction ignores every socio-economic variable and finds its way into all communities. Treating addiction is far less costly than ignoring addiction. Demographic data on patients indicates that the vast majority of patients in treatment have long associations with the community as a person struggling...

[more ↗](#)

Words From Our Patients:

I was taking 25 Hydrocodone a day and 3 to 4 OxyContin. I was ready to stop and clean myself up. I went to (residential) rehab for 6 months and got out and went right back. I came to BHG, and after about 6 months I was off the drugs and on my way to cleaning up my life. Now I don't take any drugs, and I feel much better about my life because of BHG and the help I am getting here.

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Behavioral Health Group - 8300 Douglas Ave, Suite 750, Dallas, TX, 75225. Phone: 214-365-6100 - <http://www.bhgrecovery.com>.

Treatment For Addiction | Colorado Drug Abuse Rehabilitation | Kansas Drug Abuse Rehabilitation | Kentucky Drug Abuse Rehabilitation | Louisiana Drug Abuse Rehabilitation | Missouri Drug Abuse Rehabilitation | Oklahoma Drug Abuse Rehabilitation | Tennessee Drug Abuse Rehabilitation | Texas Drug Abuse Rehabilitation



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Who We Are

Behavioral Health Group (BHG) is a leading provider of opioid addiction treatment services. Our treatment centers provide pharmacotherapeutic maintenance and detoxification services in a conventional outpatient setting. With 37 locations in Colorado, Kansas, Kentucky, Louisiana, Missouri, Oklahoma, Tennessee, and Texas, BHG provides a critical service to thousands of individuals and their communities across the country.

Mission

BHG's mission is to be the best-in-class network of opioid treatment facilities by producing superior patient outcomes. We accomplish this goal by providing each person who enters our programs with a medically based treatment experience in accordance with our governing bodies. Our treatment rehabilitates those aspects of the person which are suffering; builds upon the strengths of that person; protects that person's rights to privacy, respect and dignity; and assists in the development of a better quality of life. In doing so, we improve the lives and communities of those we touch and serve, and we build a strong company that serves its patients and communities over the long term.

Values

We operate according to these core values:

- Character: honesty, fairness and integrity
- Enthusiasm: vigorous commitment to everything we do
- Compassion: unwavering, disciplined support for the patient
- Teamwork: shared leadership and rewards
- Perseverance: diligence and hard work

We expect our patients, our communities, and our stakeholders across the United States to hold us accountable to these values.

Quality of Care

Quality care is our top priority. We pride ourselves on treating individuals according to best practice. We relentlessly measure ourselves against a wide array of outcomes-based metrics, because everything we do – from the quality of our patient-counselor relationships, to the effectiveness of our treatment teams, to simply being cheerful in the routine course of operations – matters when it comes to results.

BHG facilities are accredited by the Joint Commission on Accreditation of Healthcare Organizations

About Us

Team

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BHG

Frequently Asked Questions:

Q: Is methadone related in any way to the "meth" that one sees in the news?

Absolutely not. Methadone is in no way related to "meth," which is the nickname for methamphetamine. Methadone is a legal opioid produced by pharmaceutical companies for the relief of pain and for use in the treatment of opioid abuse. Methamphetamine – or "crystal meth" as it is commonly known – is a non-opioid....

more

Words From Our Patients:

I know that if it wasn't for BHG I would be in one of two places - in prison or in the ground. It has changed my life for the better. Also, the people here really do care and are here for you. I would recommend that anyone who has a drug dependency get help.

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Addiction 101

What Is Addiction?

What Are Opioids?

Frequently Asked Questions:

Addiction 101 | Opioid Addiction Treatment Services

According to the American Society of Addiction Medicine, addiction is defined as "Addiction is a primary, chronic disease of brain reward, motivation, memory and related circuitry. Dysfunction in these circuits leads to characteristic biological, psychological, social and spiritual manifestations. This is reflected in the individual pursuing reward and/or relief by substance use and other behaviors. The addiction is characterized by impairment in behavioral control, craving, inability to consistently abstain, and diminished recognition of significant problems with one's behaviors and interpersonal relationships. Like other chronic diseases, addiction can involve cycles of relapse and remission. Without treatment or engagement in recovery activities, addiction is progressive and can result in disability or premature death."

Treatment For Addiction

While there are many types of addiction, Behavioral Health Group specializes in treating addiction to opioids. Our treatment centers institute treatment for opioid addiction through a combination of methadone maintenance treatment and behavioral counseling.

more

Q: Is methadone safe?

For more than 45 years, methadone has been used to treat opioid addiction. When taken under medical supervision, long-term maintenance causes no adverse effects to the heart, lungs, liver, kidneys, bones, blood, brain, or other vital body organs. Properly administered, methadone produces no serious side effects, although some patients experience minor symptoms such as constipation, water retention,...

more

Words From Our Patients:

Methadone Maintenance Treatment has saved my life. I don't know where I would be without it. I have my quality of life back. My relationship with my family has greatly improved due to this. Before methadone, my life revolved around getting high and the next fix. That, unfortunately, was what was important. I wasn't able to be the parent, friend, daughter, sister, or lover that I wanted to be. Life sucked. Since starting methadone maintenance treatment a little over two

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Our Approach | Opioid Addiction Treatment Services

Patient-Centered Treatment

BHG's Patient-Centered Treatment program uses a two-pronged approach to address the medical and behavioral aspects of opioid addiction. This Medication Assisted Treatment (MAT) uses Methadone or Buprenorphine (aka: Suboxone) to address a patient's physical dependence on Opioids, and team-based Behavioral Counseling to address a patient's psychological dependence.

Hope, Respect, and Caring

Every contact we have with a patient or with someone who cares for a patient should leave that other person with a sense of **Hope**, **Respect**, and **Caring**. We offer **Hope** for people suffering from the disease of opioid addiction, because we know that the treatment we offer can help them regain the things they've lost due to their untreated disease. We provide **Respect** through our multidisciplinary, team-delivered treatment of addiction, ensuring that our patients are treated with the same dignity and respect that any health care provider gives to a patient suffering from a medical condition. Finally, our patients and the communities we serve should feel with every contact they have with BHG that we deeply **Care** about the epidemic of opioid addiction, and that we are committed to providing high quality care to those who suffer from this disease.

BHG's Medical Mission

The Medical Mission of BHG is to empower our patients to realize their best level of functioning in the community. We achieve this outcome by using medication assisted treatment at the lowest possible medication dosage to control the medical and behavioral signs of opioid addiction. BHG provides evidence-based, team-delivered, medication-assisted treatment of opioid dependence that allows each patient to work toward achieving his or her best level of functioning in the community.

more

Our Approach

Inquire about Treatment with BHG

Who We Treat

Our Treatment Model

What is Methadone?

What is Suboxone?

Proven Treatment

Inquire about Treatment with BHG

Frequently Asked Questions:

Q: Shouldn't people be able to "just quit?"

It is extremely difficult to overcome a drug addiction. Many have tried to "just quit," but unfortunately, typically fail. Because of the physical effects of prolonged drug usage, the body has become chemically dependent on the very thing it should avoid. We have consistently found, and independent research proves, that by combining medication-assisted treatment with...

more

Words From Our Patients:

Before going to the BHG clinic and beginning methadone treatment and counseling sessions my life had no hope. I was using drugs of all sorts and doing things I thought I never would see myself do. I thought there was no answer to my problem (addiction). I lost all control of my life. I am very sure if it wasn't for methadone treatment and counseling that I wouldn't be here today. Thanks to the other thoughtful and courteous people at my clinic: the program director and the...



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* Note that dispensing hours vary by location.

Corporate Offices

Behavioral Health Group

Corporate Offices

8300 Douglas Ave, Suite 750

Dallas, TX 75225

Frequently Asked Questions:

Q: Is methadone safe?

For more than 45 years, methadone has been used to treat opioid addiction. When taken under medical supervision, long-term maintenance causes no adverse effects to the heart, lungs, liver, kidneys, bones, blood, brain, or other vital body organs. Properly administered, methadone produces no serious side effects, although some patients experience minor symptoms such as constipation, water retention,...

more

Words From Our Patients:

The methadone maintenance program at BHG has helped me tremendously to stay off heroin, and my counselor is great. She is down to earth, and I feel that she knows me. Without this program, I would surely be dead sooner or later, and it is helping me with my relationship with my fiancé.

more

214-365-6100

Colorado Drug Abuse Rehabilitation Centers

BHG Boulder Treatment Center

1317 Spruce Street

Boulder, CO 80302

303-245-0123

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm

Saturday, 7:00 am – 9:00 am

BHG Denver Downtown Treatment Center

1337 Delaware Street, 1st Floor

Denver, CO 80204

303-629-5293

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm

Saturday, 6:00 am – 9:00 am

BHG Westminster Treatment Center

8407 N. Bryant Street

Westminster, CO 80031

303-487-7776

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm

Saturday, 6:00 am – 9:00 am

BHG Fort Collins Treatment Center

3825 E. Mulberry, Unit 5-C

Fort Collins, CO 80524

970-224-0495

Hours of Operation:

Monday through Friday, 5:30 am – 1:30 pm

Saturday, 7:00 am – 10:00 am

Kansas Drug Abuse Rehabilitation Centers

BHG Overland Park Treatment Center

6331 W. 110th Street

Overland Park, KS 66211

913-696-1911

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm

Saturday, 5:00 am – 9:00 am

Kentucky Drug Abuse Rehabilitation Centers

BHG Paintsville Treatment Center

628 Jefferson Avenue

Paintsville, KY 41240

606-789-6966

Hours of Operation:

Monday through Friday, 5:30 am – 2:00 pm

Saturday and Sunday, 6:00 am – 10:00 am

BHG Hazard Treatment Center

48 Independence Drive

Hazard, KY 41701

606-487-1646

Hours of Operation:

Monday through Friday, 5:30 am – 2:00 pm

Saturday, 5:30 am – 9:30 am

Sunday, 6:00 am – 10:00 am

BHG Pikeville Treatment Center

368 South Mayo Trail

Pikeville, KY 41501

606-437-0047

Hours of Operation:

Monday, Wednesday through Friday, 5:30 am – 2:00 pm

Tuesday, 5:30 am – 5:30 pm

Saturday and Sunday, 6:00 am – 10:00 am

BHG Paducah Treatment Center

125 South 17th St

Paducah, KY 42001

270-443-0096

Hours of Operation:

Monday through Friday, 5:30 am – 2:00 pm

Saturday, 6:00 am – 8:00 am

Sunday, 7:00 am – 8:00 am

BHG Corbin Treatment Center

967 US Highway 25 W.

Corbin, KY 40701

606-526-9348

Hours of Operation:

Monday through Friday, 5:30 am – 2:00 pm

Saturday, 5:30 am – 9:30 am

Sunday, 6:30 am – 9:30 am

BHG Lexington Treatment Center

340 Legion Dr.

Lexington, KY 40504

859-276-0533

Hours of Operation:

Monday through Friday, 5:30 am – 2:00 pm

Saturday, 6:00 am – 8:30 am

Sunday, 6:00 am – 8:00 am

Louisiana Drug Abuse Rehabilitation Centers

BHG New Orleans Downtown Treatment Center

417 South Johnson Street
New Orleans, LA 70112
504-524-7205

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm
Saturday, 5:00 am – 9:00 am

BHG New Orleans Westbank Treatment Center

1141 Whitney Avenue, Building 4
Gretna, LA 70056
504-347-1120

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm
Saturday, 5:00 am – 10:00 am

BHG Lake Charles Treatment Center

2829 4th Avenue, Suite 200
Lake Charles, LA 70601
337-433-8281

Hours of Operation:

Monday through Friday, 5:00 am – 12:30 pm
Saturday, 6:00 am – 8:30 am

Missouri Drug Abuse Rehabilitation Centers**BHG Kansas City Treatment Center**

723 E. 18th Street
Kansas City, MO 64108
816-283-3877

Hours of Operation:

Monday through Friday, 6:00 am - 2:30 pm
Saturday, 5:00 am - 7:30 am

BHG Springfield Treatment Center

404 East Battlefield
Springfield, MO 65807
417-865-8045

Hours of Operation:

Monday through Wednesday, Friday,
5:00 am – 1:30 pm
Thursday, 5:00 am – 11:30 am
Saturday, 7:30 am – 10:00 am

BHG Columbia, MO Treatment Center

1301 Vandiver Square, Suite Y
Columbia, MO 65202
573-449-8338

Hours of Operation:

Monday through Friday, 6:00 am - 11:30 am,
12:30 pm - 2:30 pm
Saturday, 7:00 am - 9:00 am

BHG Joplin Treatment Center

2919 East 4th Street
Joplin, MO 64801
417-782-7966

Hours of Operation:

Monday, 5:00 am – 10:30 pm
Tuesday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 8:00 am

**BHG Poplar Bluff Treatment Center
(COMING SOON)**

1369 North Westwood Blvd
Poplar Bluff, MO 63901

**BHG West Plains Treatment Center
(COMING SOON)**

1639 Bruce Smith Pkwy
West Plains, MO 65775

Oklahoma Drug Abuse Rehabilitation Centers**BHG Oklahoma City Treatment Center**

5401 SW 29th Street
Oklahoma City, OK 73179
405-681-2003

Hours of Operation:

Monday through Friday, 5:00 am – 12:45 pm
Saturday, 6:00 am – 9:00 am

Tennessee Drug Abuse Rehabilitation Centers**BHG Knoxville Bernard Treatment Center**

626 Bernard Avenue
Knoxville, TN 37921
865-522-0161

Hours of Operation:

Monday through Friday, 5:30 am – 2:30 pm

BHG Memphis Mid-Town Treatment Center

1734 Madison Avenue
Memphis, TN 38104
901-722-9420

Hours of Operation:

Monday through Friday, 5:30 am – 2:00 pm

Saturday and Sunday, 5:30 am – 9:30 am

BHG Knoxville Citico Treatment Center

412 Citico Street
Knoxville, TN 37921
865-522-0661

Hours of Operation:

Monday through Friday, 5:30 am – 2:30 pm
Saturday and Sunday, 5:30 am – 9:30 am

BHG Nashville Treatment Center

2410 Charlotte Avenue
Nashville, TN 37203
615-321-2575

Hours of Operation:

Monday through Friday, 6:00 am – 3:00 pm
Saturday and Sunday, 6:00 am – 9:30 am

BHG Memphis South Treatment Center

3041 Getwell Road, Bldg. A
Memphis, TN 38118
901-375-1050

Hours of Operation:

Monday through Friday, 5:00 am – 2:00 pm
Saturday and Sunday, 5:30 am – 9:30 am

BHG Dyersburg Treatment Center

640 US 51 Bypass East Suite M
Dyersburg, TN 38024
731-285-6535

Hours of Operation:

Monday through Friday, 5:00 am – 11:00 am
Saturday, 6:00 am – 10:00 am
Sunday, 5:00 am – 8:00 am

Saturday and Sunday, 6:00 am – 9:00 am

BHG Jackson Treatment Center

1869 Highway 45 Bypass, Suite 5
Jackson, TN 38305
731-660-0880

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm
Saturday and Sunday, 5:30 am – 9:00 am

BHG Paris Treatment Center

2555 East Wood St.
Paris, TN 38242
731-641-4545

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm
Saturday and Sunday, 6:00 am – 9:30 am

BHG Memphis North Treatment Center

2960-B OLD Austin Peay Hwy
Memphis, TN 38128
901-372-7878

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 10:30 am
Sunday, 6:00 am – 9:00 am

BHG Columbia, TN Treatment Center

1202 S. James Campbell Blvd, Suite 7-A
Columbia, TN 38401
Phone: 931-381-0020

Hours of Operation:

Monday through Friday, 5:30 am – 11:30 am
Saturday and Sunday, 6:00 am – 9:00 am

Texas Drug Abuse Rehabilitation Centers

BHG Denison Treatment Center

1105 Memorial Drive, Suite 101
Denison, TX 75020
903-464-0727

Hours of Operation:

Monday through Friday, 5:00 am – 12:00 pm
Saturday, 6:30 am – 8:30 am

BHG Wichita Falls Treatment Center

207 Broad Street
Wichita Falls, TX 76301
940-322-9355

Hours of Operation:

Monday through Friday, 5:30 am – 8:30 am
Saturday, 7:00 am – 8:00 am

BHG Lufkin Treatment Center

216 North John Redditt Drive
Lufkin, TX 75904
936-637-2223

Hours of Operation:

Monday through Friday, 5:30 am – 12:00 pm
Saturday, 7:00 am – 9:00 am

BHG San Antonio Treatment Center

519 E. Quincy
San Antonio, TX 78215
210-299-1614

Hours of Operation:

Monday through Friday, 5:00 am – 12:00 pm
Saturday, 6:00 am – 10:00 am

BHG Center Treatment Center

1110 Tenaha Street
Center, TX 75935
936-598-6608

Hours of Operation:

Monday through Friday, 4:45 am – 12:00 pm
Saturday, 5:30 am – 7:30 am

BHG Humble Treatment Center

19333 Highway 59 North 280
Humble, TX 77338
713-705-7198

Hours of Operation:

Monday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 9:00 am

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Treatment For Addiction | Colorado Drug Abuse Rehabilitation | Kansas Drug Abuse Rehabilitation | Kentucky Drug Abuse Rehabilitation | Louisiana Drug Abuse Rehabilitation | Missouri Drug Abuse Rehabilitation | Oklahoma Drug Abuse Rehabilitation | Tennessee Drug Abuse Rehabilitation | Texas Drug Abuse Rehabilitation



METHADONE MAINTENANCE TREATMENT

Methadone maintenance treatment (MMT) can help injection drug users (IDUs) reduce or stop injecting and return to productive lives. However, its use is still sometimes publicly controversial and many factors limit the effectiveness of MMT services. New federal regulations, which have overhauled the MMT system, promise a more flexible approach and improved delivery of these needed, life-saving services.

Opiate Addiction is a Major Individual and Public Health Problem

It is estimated that at least 980,000 people in the United States are currently addicted to heroin and other opiates (such as oxycontin, dilaudid, and hydrocone). They risk premature death and often suffer from HIV, hepatitis B or C, sexually transmitted disease (STDs), liver disease from alcohol abuse, and other physical and mental health problems. It is estimated that 5,000-10,000 IDUs die of drug overdoses every year. Many are involved with the criminal justice system.

A 1997 National Institutes of Health (NIH) report estimated the financial costs of untreated opiate addiction at \$20 billion per year. These costs, combined with the social costs of destroyed families, destabilized communities, increased crime, increased disease transmission, and increased health care costs, mean that opiate addiction is a major problem for affected individuals and society.

Methadone Maintenance Treatment is the Most Effective Treatment for Opiate Addiction

Methadone is a synthetic agent that works by "occupying" the brain recep-

tor sites affected by heroin and other opiates. Methadone:

- blocks the euphoric and sedating effects of opiates;
- relieves the craving for opiates that is a major factor in relapse;
- relieves symptoms associated with withdrawal from opiates;
- does not cause euphoria or intoxication itself (with stable dosing), thus allowing a person to work and participate normally in society;
- is excreted slowly so it can be taken only once a day.

Methadone maintenance treatment, a program in which addicted individuals receive daily doses of methadone, was initially developed during the 1960s as part of a broad, multicomponent treatment program that also emphasized resocialization and vocational training.

Methadone maintenance treatment is a highly effective, evidence-based approach to the treatment of opiate addiction.

These benefits include:

- reduced or stopped use of injection drugs;
- reduced risk of overdose and of acquiring or transmitting diseases

such as HIV, hepatitis B or C, bacterial infections, endocarditis, soft tissue infections, thrombophlebitis, tuberculosis, and STDs;

- reduced mortality – the median death rate of opiate-dependent individuals in MMT is 30 percent of the rate of those not in MMT;
- possible reduction in sexual risk behaviors, although evidence on this point is conflicting;
- reduced criminal activity;
- improved family stability and employment potential; and
- improved pregnancy outcomes.

Using commonly accepted criteria for medical interventions, several studies have also shown that MMT is extremely cost-effective.

Key Issues in Effective Methadone Maintenance Treatment

Dose

Most patients require a dose of 60-120 mg/day to achieve optimum therapeutic effects of methadone. Compared to those on lower doses, patients on higher doses are shown to stay in treatment

longer, use less heroin and other drugs, and have lower incidence of HIV infection. Some patients need even higher doses for fully effective treatment.

Studies of methadone effectiveness have shown a dose-response relationship, with higher doses more effective in reducing heroin use, helping patients stay in treatment, and reducing criminal activity. Despite compelling evidence that doses need to be determined on an individual basis, that higher doses are more effective, and that doses of 60-120 mg/day are required for most patients, some clinics administer fixed doses to all patients and provide less than optimal doses.

Length of treatment

Studies have shown that good outcomes from substance abuse treatment are unequivocally contingent on adequate length of treatment. A research-based guide on the principles of substance abuse treatment, released in 1999 by the National Institute on Drug Abuse (NIDA), notes that "For methadone maintenance, 12 months of treatment is the minimum, and some opiate-addicted individuals will continue to benefit from methadone maintenance treatment over a period of years." Despite this fact, the majority of MMT patients leave before 1 year, either because they drop out, the clinic encourages them to leave, or they are discharged for not complying with program regulations. Most of those who discontinue MMT later relapse to heroin use. This illustrates the difficulty of the addiction recovery process and the fact that individuals may need multiple episodes of treatment over time.

The need to address treatment of subgroups of IDUs with treatment dual diagnosis

IDUs come to MMT with a broad range of issues and problems in addition to their drug addiction. For example, about 40 percent of patients entering methadone treatment use cocaine or crack as well as heroin; perhaps a

quarter also abuse alcohol. Studies have shown that 67-84% of MMT patients have been infected with hepatitis C. About 10 million people in the U.S. have co-occurring substance abuse and mental disorders; more than 40 percent of those with addictive disorders also have mental disorders. IDUs frequently have unstable living situations and may need multiple social services. Treatment programs tailored to the specific needs of patients can respond more effectively to these varied types of patients.

Continued use of heroin, cocaine, alcohol, and other drugs

It is relatively common for MMT patients to continue using heroin, other drugs such as cocaine or marijuana, and alcohol after admission to treatment. This reflects the long history of use, the complexity of patients' situations and reasons for using drugs, and the biological basis of addiction. Many patients in treatment do not have complete control over their addictions at all times. Realistic expectations of treatment reflect the understanding that recovery is a day-to-day process with occasional relapses.

The Regulation and Administration of MMT has Undergone a Radical Change

The context for change

Despite 30 years of experience and widespread acceptance by addiction specialists and health agencies, MMT has sometimes been publicly controversial in the U.S. and other countries. Critics have cited the belief that methadone treatment merely substitutes one addiction for another and that achieving a drug-free state is the only valid treatment goal. Misunderstandings about the nature of drug addiction (not seeing it as a biomedical condition) are part of the reason why MMT has sometimes been met with limited acceptance by communities, health care providers, and the public. Critics opposed to expanding

MMT programs also express concerns that they may be a magnet for crime and drug dealing and that patients will divert methadone (sell it to supplement their income or buy or sell it to help friends in withdrawal). As a result, the use of methadone to treat addiction has been heavily regulated and strictly controlled in this country. For example, until now, MMT has been delivered only through specially licensed clinics, called Opioid Treatment Programs.

These regulations and controls have meant that MMT programs have had limited flexibility and ability to respond to the needs of patients, including in such key areas as dose and length of treatment. The regulations also have limited the number of physicians who are available to treat heroin addiction and the settings and locations in which treatment can occur.

The change

In May 2001, the U.S. Department of Health and Human Services (DHHS) announced a new system for regulating and monitoring MMT. Under this new system, oversight responsibility for MMT in the United States shifted from the Food and Drug Administration (FDA) to the Substance Abuse and Mental Health Services Administration's Center for Substance Abuse Treatment (CSAT).

This new system represents a fundamental change in the approach to substance abuse treatment and in the federal government's role in ensuring effective and accountable MMT programs. It relies on accreditation of MMT programs by independent organizations and states, in accordance with treatment standards that have been developed by CSAT over the last 10 years.

These standards reflect current knowledge about the nature of opiate addiction as a chronic brain disease and the principles underlying effective long-term, comprehensive treatment. The standards are based on "best practice guidelines" and

emphasize improving quality of care in areas such as individualized treatment planning, increased medical supervision, and assessment of patients. The new system continues to accommodate community concerns, however, by retaining regulations that are designed to reduce diversion of methadone.

The designers of this new approach believe that shifting to an accreditation approach will significantly improve care for IDUs by:

- improving access to and quality of MMT programs;
- allowing for increased professional discretion and medical judgment in designing treatment plans based on individual needs, especially in managing methadone doses and length of treatment, and whether withdrawal from medication is possible or desirable;
- helping to move MMT closer to the mainstream of health care practice (this increase in the range of settings may increase MMT in physicians' offices and increase interest by hospitals and HMOs in providing these services);
- improving oversight and accountability and helping to promote state-of-the-art treatment services; and
- enhancing patient rights and patient responsibilities.

To Learn More About This Topic

Read the overview fact sheet in this series on drug users and substance abuse treatment — "Substance Abuse Treatment for Injection Drug Users: A Strategy with Many Benefits." It provides basic information, links to the other fact sheets in this series, and links to other useful information (both print and web).

Visit websites of the Centers for Disease Control and Prevention (www.cdc.gov/idu) and the Academy for Educational Development (www.health-strategies.org/pubs/publications.htm) for these and related materials:

- *Preventing Blood-borne Infections Among Injection Drug Users: A Comprehensive Approach*, which provides extensive background information on HIV and viral hepatitis infection in IDUs and the legal, social, and policy environment, and describes strategies and principles of a comprehensive approach to addressing these issues.
- *Interventions to Increase IDUs' Access to Sterile Syringes*, a series of six fact sheets.
- *Drug Use, HIV, and the Criminal Justice System*, a series of eight fact sheets.

Visit these websites:

- The Substance Abuse and Mental Health Services Administration, to learn more about the new federal regulations governing methadone treatment programs: www.samhsa.gov/news/news.html (click on Archives of News Releases and scroll down to the two May 18, 2001 releases)
- The Addiction Treatment Forum, which publishes newsletters and other information on substance abuse and addiction research, therapies, news: www.atforum.com/
- The American Methadone Treatment Association: www.americanmethadone.org/

See the October/November 2000 and January 2001 issues of the *Mt. Sinai Journal of Medicine*. The 14 papers in these two theme issues focus on a wide range of issues related to methadone maintenance treatment and its impact on IDUs, including those infected with HIV or hepatitis C. *Mt. Sinai Journal of Medicine* 2000;67(5&6) www.mssm.edu/msjournal/67/6756.shtml and 2001;68(1) www.mssm.edu/msjournal/68/681.shtml

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Department of Health and Human Services

<http://www.cdc.gov/idu>

Through the Academy for Educational Development (AED), IDU-related technical assistance is available to health departments funded by CDC to conduct HIV prevention and to HIV prevention community planning groups (CPGs). For more information, contact your CDC HIV prevention project officer at 404-639-5230 or AED at (202) 884-8952.

COUNTY	Female				Male				Male Total	Grand Total	
	19 - 20		21 - 64		19 - 20		21 - 64				
	0 - 18	65 ->	0 - 18	65 ->	0 - 18	19 - 20	21 - 64	65 ->			
HICKMAN	1,359	130	1,196	187	2,872	1,524	103	655	84	2,366	5,238
HOUSTON	384	26	372	115	896	429	22	183	70	705	1,601
HUMPHREYS	908	81	799	156	1,943	966	36	386	69	1,458	3,401
JACKSON	615	46	582	137	1,379	668	39	342	93	1,142	2,522
JEFFERSON	2,822	185	2,209	493	5,708	2,947	128	1,074	203	4,352	10,060
JOHNSON	918	79	857	287	2,140	965	55	559	146	1,726	3,866
KNOX	17,139	1,153	15,146	2,395	35,833	17,821	784	6,507	999	26,110	61,943
LAKE	411	45	496	148	1,100	508	34	222	69	833	1,934
LAUDERDALE	1,884	157	1,689	306	4,037	1,915	122	673	123	2,833	6,870
LAWRENCE	2,248	195	1,871	403	4,717	2,493	137	895	157	3,682	8,399
LEWIS	676	55	538	115	1,384	710	51	238	53	1,051	2,435
LINCOLN	1,727	124	1,343	288	3,481	1,814	106	670	115	2,706	6,187
LOUDON	2,081	146	1,466	274	3,966	2,112	91	679	112	2,993	6,959
MACON	1,651	118	1,338	247	3,354	1,695	82	651	111	2,540	5,894
MADISON	5,880	451	5,271	831	12,433	5,821	287	1,835	330	8,273	20,706
MARION	1,605	147	1,525	244	3,521	1,632	89	661	131	2,514	6,035
MARSHALL	1,529	101	1,233	162	3,025	1,602	75	517	65	2,259	5,284
MAURY	4,116	282	3,345	534	8,277	4,380	202	1,293	187	6,062	14,330
MCMINN	2,762	206	2,359	511	5,837	2,895	151	1,077	206	4,330	10,168
MCMURRY	1,657	153	1,599	387	3,796	1,723	117	890	188	2,918	6,714
MEIGS	690	62	582	88	1,423	725	52	307	42	1,126	2,549
MONROE	2,549	209	2,242	506	5,506	2,805	121	1,165	255	4,345	9,852
MONTGOMERY	7,041	506	5,675	640	13,861	7,367	302	1,867	211	9,747	23,608
MOORE	198	19	144	45	406	245	14	71	18	348	754
MORGAN	1,149	87	903	184	2,322	1,192	65	501	106	1,864	4,186
OBION	1,785	119	1,604	298	3,805	1,898	70	600	106	2,674	6,479
OVERTON	1,137	91	940	264	2,432	1,247	74	541	137	1,959	4,431
PERRY	501	41	372	81	994	512	32	228	44	815	1,809
PICKETT	223	14	203	94	534	282	6	124	39	451	985
POLK	871	65	783	141	1,859	927	55	406	73	1,461	3,320
PUTNAM	3,709	336	3,113	748	7,906	3,841	198	1,646	316	6,001	13,907
RHEA	2,263	135	1,770	327	4,495	2,275	124	856	126	3,380	7,875
ROANE	2,307	181	2,298	530	5,315	2,622	115	1,267	209	4,213	9,528
ROBERTSON	3,333	190	2,226	363	6,112	3,509	123	848	156	4,636	10,748
RUTHERFORD	11,398	838	7,805	982	21,023	11,777	508	2,749	391	15,425	36,448
SCOTT	1,760	130	1,665	176	3,941	1,821	100	934	191	3,046	6,987
SECUATCHIE	935	69	773	149	1,926	950	52	415	54	1,471	3,397
SEVER	4,583	292	3,052	452	8,378	4,942	167	1,235	155	6,500	14,878
SHELBY	67,976	5,420	54,190	6,565	134,152	69,535	3,907	16,148	2,499	92,090	226,241
SMITH	995	81	847	163	2,086	999	45	410	62	1,516	3,602
STEWART	645	59	609	113	1,426	697	35	296	56	1,084	2,510
SULLIVAN	7,010	521	6,688	1,302	15,521	7,427	386	3,348	577	11,738	27,260
SUMNER	6,628	454	5,305	783	13,171	7,058	333	2,025	308	9,724	22,895
TIPTON	3,363	289	2,630	361	6,643	3,522	209	939	146	4,816	11,459
TROUSDALE	476	36	379	86	978	447	35	178	40	700	1,678
UNICOI	871	55	781	261	1,967	976	40	357	117	1,490	3,458
UNION	1,292	82	905	165	2,444	1,264	64	532	82	1,941	4,385
VAN BUREN	285	17	256	62	620	317	17	159	45	538	1,158
WARREN	2,526	190	2,059	427	5,202	2,629	133	1,009	179	3,949	9,151
WASHINGTON	4,892	392	4,780	964	11,028	5,087	284	2,251	403	8,026	19,054
WAYNE	722	59	647	180	1,609	776	47	328	77	1,228	2,837
WEAKLEY	1,666	210	1,527	319	3,722	1,738	125	738	108	2,709	6,430
WHITE	1,569	119	1,305	116	3,302	1,626	95	741	116	2,577	5,880
WILLIAMSON	2,555	141	1,677	334	4,707	2,678	101	629	140	3,547	8,254
WILSON	4,156	288	3,360	482	8,286	4,352	195	1,328	177	6,052	14,338
Grand Total	335,211	25,028	276,603	46,352	683,195	349,158	17,565	115,421	9,647	501,791	1,184,986

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

July 23, 2014

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	7	July 2014
2. Construction documents approved by TDH		August 2014
3. Construction contract signed		August 2014
4. Building permit secured		September 2014
5. Site preparation completed		NA
6. Building construction commenced (renovation)		September 2014
7. Construction 40% complete		October 2014
8. Construction 80% complete		November 2014
9. Construction 100% complete		Dec 2015
10. * Issuance of license		Dec 2015
11. *Initiation of service		Jan 2015
12. Final architectural certification of payment		March 2015
13. Final Project Report Form (HF0055)		May 2015

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

Midmonth Report for December 2013

- * This report is a count of people taken in the middle of the month for which the report was run.
- * This report is run three months after the month of the report in an effort to reduce fluctuations in the results.

MCO	REGION	Total
Awaiting MCO assignment		302
AMERIGROUP COMMUNITY CARE	Middle Tennessee	194,965
BLUECARE	East Tennessee	209,234
BLUECARE	West Tennessee	174,257
TENNCARE SELECT	All	45,624
UnitedHealthcare Community Plan	East Tennessee	193,136
	Middle Tennessee	195,388
	West Tennessee	172,079
Grand Total		1,184,986

COUNTY	Female				Female Total	Male				Male Total	Grand Total
	0 - 18	19 - 20	21 - 64	65 ->		0 - 18	19 - 20	21 - 64	65 ->		
ANDERSON	3,765	269	3,181	591	7,806	3,875	197	1,585	260	5,916	13,723
BEDFORD	3,314	220	2,243	258	6,035	3,478	114	944	106	4,643	10,678
BENTON	867	81	787	138	1,873	967	51	423	71	1,512	3,385
BLEDSoE	715	53	616	119	1,502	828	41	359	47	1,276	2,778
BLOUNT	5,253	383	4,416	664	10,716	5,338	275	1,991	289	7,892	18,609
BRADEY	4,973	389	4,259	625	10,246	5,358	231	1,854	259	7,702	17,948
CAMPBELL	2,632	230	2,955	641	6,457	2,757	180	1,648	361	4,947	11,404
CANNON	662	51	616	127	1,455	748	47	281	52	1,127	2,582
CARROLL	1,633	165	1,591	339	3,727	1,827	102	809	142	2,879	6,607
CARTER	2,900	216	2,541	702	6,359	3,037	165	1,318	258	4,778	11,137
CHEATHAM	1,750	133	1,404	180	3,467	1,845	97	638	72	2,652	6,119
CHESTER	909	75	818	148	1,949	950	63	333	61	1,406	3,355
CLAIBORNE	1,818	166	1,823	539	4,346	1,934	105	1,142	244	3,424	7,770
CLAY	485	37	400	102	1,025	492	29	256	80	857	1,881
COCKE	2,503	195	2,325	444	5,468	2,601	142	1,322	222	4,286	9,754
COFFEE	3,120	197	2,589	375	6,282	3,143	116	1,126	170	4,555	10,836
CROCKETT	1,004	79	735	203	2,021	960	50	349	76	1,435	3,456
CUMBERLAND	2,803	218	2,271	510	5,802	2,960	154	1,192	211	4,516	10,318
DAVIDSON	36,011	2,250	26,721	3,179	68,161	37,070	1,656	10,044	1,479	50,249	118,410
DECATUR	575	63	532	201	1,372	670	29	319	69	1,087	2,459
DEKALB	1,224	63	1,010	185	2,482	1,250	55	513	102	1,920	4,401
DICKSON	2,469	190	2,132	294	5,086	2,667	141	850	109	3,765	8,852
DYER	2,434	235	2,178	424	5,271	2,551	156	913	148	3,768	9,038
FAYETTE	1,587	121	1,190	289	3,187	1,698	94	544	138	2,474	5,661
FENTRESS	1,228	111	1,201	366	2,906	1,334	98	784	173	2,389	5,295
FRANKLIN	1,718	141	1,480	259	3,599	1,829	95	680	105	2,709	6,308
GIBSON	2,907	232	2,680	596	6,415	3,102	180	1,160	255	4,697	11,111
GILES	1,383	110	1,173	247	2,913	1,393	75	582	102	2,153	5,065
GRANGER	1,283	96	1,083	284	2,746	1,282	72	662	149	2,164	4,910
GREENE	3,121	233	3,047	730	7,131	3,349	132	1,600	356	5,437	12,568
GRUNDY	1,060	88	1,030	218	2,395	1,162	74	593	136	1,964	4,359
HAMBLEN	3,957	237	2,685	519	7,398	4,017	152	1,200	221	5,589	12,987
HAMILTON	15,225	1,107	12,996	2,205	31,534	15,958	786	5,223	849	22,816	54,350
HANCOCK	483	48	512	156	1,200	550	49	289	73	960	2,160
HARDEMAN	1,582	120	1,470	330	3,502	1,584	84	730	159	2,556	6,058
HARDIN	1,565	118	1,443	381	3,507	1,619	86	756	196	2,657	6,164
HAWKINS	3,020	241	2,793	573	6,626	3,134	171	1,405	261	4,971	11,597
HAYWOOD	1,390	112	1,308	280	3,089	1,504	81	428	109	2,122	5,211
HENDERSON	1,595	123	1,461	275	3,454	1,688	87	630	104	2,509	5,963
HENRY	1,860	151	1,581	289	3,882	1,971	115	763	101	2,950	6,832

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State & County QuickFacts

Chester County, Tennessee

People QuickFacts	Chester County	Tennessee
Population, 2013 estimate	17,321	6,495,978
Population, 2012 estimate	17,190	6,454,914
Population, 2010 (April 1) estimates base	17,131	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	1.1%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	0.3%	1.7%
Population, 2010	17,131	6,346,105
Persons under 5 years, percent, 2012	5.1%	6.3%
Persons under 18 years, percent, 2012	22.4%	23.1%
Persons 65 years and over, percent, 2012	15.7%	14.2%
Female persons, percent, 2012	52.0%	51.2%
White alone, percent, 2012 (a)	88.2%	79.3%
Black or African American alone, percent, 2012 (a)	9.3%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.5%	0.4%
Asian alone, percent, 2012 (a)	0.4%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.6%	1.6%
Hispanic or Latino, percent, 2012 (b)	2.5%	4.8%
White alone, not Hispanic or Latino, percent, 2012	86.1%	75.1%
Living in same house 1 year & over, percent, 2008-2012	86.5%	84.4%
Foreign born persons, percent, 2008-2012	1.4%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	4.0%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	80.2%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	15.5%	23.5%
Veterans, 2008-2012	1,228	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	29.2	24.1
Housing units, 2012	7,006	2,834,620
Homeownership rate, 2008-2012	73.6%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	7.3%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$107,600	\$138,700
Households, 2008-2012	6,034	2,468,841
Persons per household, 2008-2012	2.63	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$19,345	\$24,294
Median household income, 2008-2012	\$42,097	\$44,140
Persons below poverty level, percent, 2008-2012	16.9%	17.3%
Business QuickFacts	Chester County	Tennessee
Private nonfarm establishments, 2011	248	129,489 ²
Private nonfarm employment, 2011	3,098	2,300,542 ²
Private nonfarm employment, percent change, 2010-2011	10.3%	1.6% ²
Nonemployer establishments, 2011	1,021	473,451
Total number of firms, 2007	1,253	545,348
Black-owned firms, percent, 2007	F	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.5%

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State & County QuickFacts

Crockett County, Tennessee

People QuickFacts	Crockett County	Tennessee
Population, 2013 estimate	14,591	6,495,978
Population, 2012 estimate	14,614	6,454,914
Population, 2010 (April 1) estimates base	14,584	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	Z	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	0.2%	1.7%
Population, 2010	14,586	6,346,105
Persons under 5 years, percent, 2012	6.1%	6.3%
Persons under 18 years, percent, 2012	24.2%	23.1%
Persons 65 years and over, percent, 2012	16.9%	14.2%
Female persons, percent, 2012	52.2%	51.2%
White alone, percent, 2012 (a)	83.9%	79.3%
Black or African American alone, percent, 2012 (a)	13.6%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.5%	0.4%
Asian alone, percent, 2012 (a)	0.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.8%	1.6%
Hispanic or Latino, percent, 2012 (b)	9.4%	4.8%
White alone, not Hispanic or Latino, percent, 2012	75.9%	75.1%
Living in same house 1 year & over, percent, 2008-2012	87.9%	84.4%
Foreign born persons, percent, 2008-2012	4.8%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	9.4%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	77.6%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	12.3%	23.5%
Veterans, 2008-2012	860	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	22.7	24.1
Housing units, 2012	6,413	2,834,620
Homeownership rate, 2008-2012	70.5%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	5.9%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$86,400	\$138,700
Households, 2008-2012	5,595	2,468,841
Persons per household, 2008-2012	2.56	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$20,157	\$24,294
Median household income, 2008-2012	\$37,601	\$44,140
Persons below poverty level, percent, 2008-2012	19.2%	17.3%
Business QuickFacts	Crockett County	Tennessee
Private nonfarm establishments, 2011	215	129,489 ²
Private nonfarm employment, 2011	1,949	2,300,542 ²
Private nonfarm employment, percent change, 2010-2011	-1.3%	1.6% ²
Nonemployer establishments, 2011	946	473,451
Total number of firms, 2007	1,472	545,348
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

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State & County QuickFacts

Gibson County, Tennessee

People QuickFacts	Gibson County	Tennessee
Population, 2013 estimate	49,457	6,495,978
Population, 2012 estimate	49,672	6,454,914
Population, 2010 (April 1) estimates base	49,683	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	-0.5%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	Z	1.7%
Population, 2010	49,683	6,346,105
Persons under 5 years, percent, 2012	6.3%	6.3%
Persons under 18 years, percent, 2012	24.6%	23.1%
Persons 65 years and over, percent, 2012	16.9%	14.2%
Female persons, percent, 2012	52.4%	51.2%
White alone, percent, 2012 (a)	79.6%	79.3%
Black or African American alone, percent, 2012 (a)	18.6%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	0.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.2%	1.6%
Hispanic or Latino, percent, 2012 (b)	2.2%	4.8%
White alone, not Hispanic or Latino, percent, 2012	77.7%	75.1%
Living in same house 1 year & over, percent, 2008-2012	86.8%	84.4%
Foreign born persons, percent, 2008-2012	0.8%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.7%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	81.9%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	15.4%	23.5%
Veterans, 2008-2012	3,774	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	23.9	24.1
Housing units, 2012	22,196	2,834,620
Homeownership rate, 2008-2012	72.5%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	11.3%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$86,800	\$138,700
Households, 2008-2012	19,379	2,468,841
Persons per household, 2008-2012	2.51	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$20,307	\$24,294
Median household income, 2008-2012	\$36,981	\$44,140
Persons below poverty level, percent, 2008-2012	18.6%	17.3%
Business QuickFacts	Gibson County	Tennessee
Private nonfarm establishments, 2011	934	129,489 ¹
Private nonfarm employment, 2011	11,846	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	1.8%	1.6% ¹
Nonemployer establishments, 2011	2,871	473,451
Total number of firms, 2007	3,423	545,348
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

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State & County QuickFacts

Hardeman County, Tennessee

People QuickFacts	Hardeman County	Tennessee
Population, 2013 estimate	26,306	6,495,978
Population, 2012 estimate	26,549	6,454,914
Population, 2010 (April 1) estimates base	27,253	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	-3.5%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	-2.6%	1.7%
Population, 2010	27,253	6,346,105
Persons under 5 years, percent, 2012	5.2%	6.3%
Persons under 18 years, percent, 2012	20.3%	23.1%
Persons 65 years and over, percent, 2012	15.2%	14.2%
Female persons, percent, 2012	45.5%	51.2%
White alone, percent, 2012 (a)	56.4%	79.3%
Black or African American alone, percent, 2012 (a)	41.7%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	0.7%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	0.0%	0.1%
Two or More Races, percent, 2012	1.0%	1.6%
Hispanic or Latino, percent, 2012 (b)	1.5%	4.8%
White alone, not Hispanic or Latino, percent, 2012	55.3%	75.1%
Living in same house 1 year & over, percent, 2008-2012	89.7%	84.4%
Foreign born persons, percent, 2008-2012	0.8%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.3%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	73.4%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	11.2%	23.5%
Veterans, 2008-2012	1,921	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	29.0	24.1
Housing units, 2012	10,859	2,834,620
Homeownership rate, 2008-2012	71.7%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	5.3%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$87,100	\$138,700
Households, 2008-2012	8,846	2,468,841
Persons per household, 2008-2012	2.67	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$16,135	\$24,294
Median household income, 2008-2012	\$31,963	\$44,140
Persons below poverty level, percent, 2008-2012	23.0%	17.3%
Business QuickFacts	Hardeman County	Tennessee
Private nonfarm establishments, 2011	358	129,489 ¹
Private nonfarm employment, 2011	5,261	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	-1.8%	1.6% ¹
Nonemployer establishments, 2011	1,570	473,451
Total number of firms, 2007	1,408	545,348
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

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State & County QuickFacts

Hardin County, Tennessee

People QuickFacts	Hardin County	Tennessee
Population, 2013 estimate	26,034	6,495,978
Population, 2012 estimate	26,015	6,454,914
Population, 2010 (April 1) estimates base	26,026	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	Z	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	Z	1.7%
Population, 2010	26,026	6,346,105
Persons under 5 years, percent, 2012	5.2%	6.3%
Persons under 18 years, percent, 2012	21.1%	23.1%
Persons 65 years and over, percent, 2012	19.8%	14.2%
Female persons, percent, 2012	51.5%	51.2%
White alone, percent, 2012 (a)	94.1%	79.3%
Black or African American alone, percent, 2012 (a)	3.7%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.4%	0.4%
Asian alone, percent, 2012 (a)	0.4%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.4%	1.6%
Hispanic or Latino, percent, 2012 (b)	1.9%	4.8%
White alone, not Hispanic or Latino, percent, 2012	92.4%	75.1%
Living in same house 1 year & over, percent, 2008-2012	87.7%	84.4%
Foreign born persons, percent, 2008-2012	1.0%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.0%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	75.3%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	11.2%	23.5%
Veterans, 2008-2012	2,226	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	21.7	24.1
Housing units, 2012	13,945	2,834,620
Homeownership rate, 2008-2012	77.1%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	5.6%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$97,500	\$138,700
Households, 2008-2012	10,186	2,468,841
Persons per household, 2008-2012	2.51	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$19,770	\$24,294
Median household income, 2008-2012	\$33,044	\$44,140
Persons below poverty level, percent, 2008-2012	22.2%	17.3%
Business QuickFacts	Hardin County	Tennessee
Private nonfarm establishments, 2011	493	129,489 ¹
Private nonfarm employment, 2011	6,382	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	2.8%	1.6% ¹
Nonemployer establishments, 2011	1,946	473,451
Total number of firms, 2007	2,399	545,348
Black-owned firms, percent, 2007	S	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

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State & County QuickFacts

Henderson County, Tennessee

People QuickFacts	Henderson County	Tennessee
Population, 2013 estimate	28,048	6,495,978
Population, 2012 estimate	28,050	6,454,914
Population, 2010 (April 1) estimates base	27,793	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	0.9%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	0.9%	1.7%
Population, 2010	27,769	6,346,105
Persons under 5 years, percent, 2012	6.3%	6.3%
Persons under 18 years, percent, 2012	23.9%	23.1%
Persons 65 years and over, percent, 2012	15.7%	14.2%
Female persons, percent, 2012	51.8%	51.2%
White alone, percent, 2012 (a)	89.9%	79.3%
Black or African American alone, percent, 2012 (a)	7.8%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	0.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.7%	1.6%
Hispanic or Latino, percent, 2012 (b)	2.2%	4.8%
White alone, not Hispanic or Latino, percent, 2012	88.0%	75.1%
Living in same house 1 year & over, percent, 2008-2012	87.3%	84.4%
Foreign born persons, percent, 2008-2012	0.7%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.3%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	80.4%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	11.9%	23.5%
Veterans, 2008-2012	2,132	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	24.0	24.1
Housing units, 2012	12,802	2,834,620
Homeownership rate, 2008-2012	76.7%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	6.6%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$93,900	\$138,700
Households, 2008-2012	11,103	2,468,841
Persons per household, 2008-2012	2.48	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$20,153	\$24,294
Median household income, 2008-2012	\$37,784	\$44,140
Persons below poverty level, percent, 2008-2012	17.5%	17.3%
Business QuickFacts	Henderson County	Tennessee
Private nonfarm establishments, 2011	488	129,489 ¹
Private nonfarm employment, 2011	6,425	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	2.4%	1.6% ¹
Nonemployer establishments, 2011	1,773	473,451
Total number of firms, 2007	2,451	545,348
Black-owned firms, percent, 2007	3.3%	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

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State & County QuickFacts

Madison County, Tennessee

People QuickFacts	Madison County	Tennessee
Population, 2013 estimate	98,733	6,495,978
Population, 2012 estimate	98,511	6,454,914
Population, 2010 (April 1) estimates base	98,294	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	0.4%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	0.2%	1.7%
Population, 2010	98,294	6,346,105
Persons under 5 years, percent, 2012	6.8%	6.3%
Persons under 18 years, percent, 2012	23.6%	23.1%
Persons 65 years and over, percent, 2012	14.0%	14.2%
Female persons, percent, 2012	52.5%	51.2%
White alone, percent, 2012 (a)	60.3%	79.3%
Black or African American alone, percent, 2012 (a)	37.0%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	1.1%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.3%	1.6%
Hispanic or Latino, percent, 2012 (b)	3.5%	4.8%
White alone, not Hispanic or Latino, percent, 2012	57.3%	75.1%
Living in same house 1 year & over, percent, 2008-2012	85.9%	84.4%
Foreign born persons, percent, 2008-2012	3.3%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	5.1%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	85.6%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	23.8%	23.5%
Veterans, 2008-2012	7,127	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	19.1	24.1
Housing units, 2012	42,121	2,834,620
Homeownership rate, 2008-2012	66.8%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	19.3%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$112,200	\$138,700
Households, 2008-2012	36,060	2,468,841
Persons per household, 2008-2012	2.61	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$22,809	\$24,294
Median household income, 2008-2012	\$42,348	\$44,140
Persons below poverty level, percent, 2008-2012	18.3%	17.3%
Business QuickFacts	Madison County	Tennessee
Private nonfarm establishments, 2011	2,547	129,489 ¹
Private nonfarm employment, 2011	49,652	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	1.5%	1.6% ¹
Nonemployer establishments, 2011	6,583	473,451
Total number of firms, 2007	8,412	545,348
Black-owned firms, percent, 2007	14.1%	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.5%

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State & County QuickFacts

McNairy County, Tennessee

People QuickFacts	McNairy County	Tennessee
Population, 2013 estimate	26,140	6,495,978
Population, 2012 estimate	26,167	6,454,914
Population, 2010 (April 1) estimates base	26,075	6,346,113
Population, percent change, April 1, 2010 to July 1, 2013	0.2%	2.4%
Population, percent change, April 1, 2010 to July 1, 2012	0.4%	1.7%
Population, 2010	26,075	6,346,105
Persons under 5 years, percent, 2012	5.8%	6.3%
Persons under 18 years, percent, 2012	22.9%	23.1%
Persons 65 years and over, percent, 2012	18.4%	14.2%
Female persons, percent, 2012	51.0%	51.2%
White alone, percent, 2012 (a)	92.1%	79.3%
Black or African American alone, percent, 2012 (a)	6.0%	17.0%
American Indian and Alaska Native alone, percent, 2012 (a)	0.3%	0.4%
Asian alone, percent, 2012 (a)	0.2%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2012 (a)	Z	0.1%
Two or More Races, percent, 2012	1.3%	1.6%
Hispanic or Latino, percent, 2012 (b)	1.7%	4.8%
White alone, not Hispanic or Latino, percent, 2012	90.7%	75.1%
Living in same house 1 year & over, percent, 2008-2012	92.1%	84.4%
Foreign born persons, percent, 2008-2012	1.1%	4.5%
Language other than English spoken at home, pct age 5+, 2008-2012	2.6%	6.6%
High school graduate or higher, percent of persons age 25+, 2008-2012	77.1%	83.9%
Bachelor's degree or higher, percent of persons age 25+, 2008-2012	10.6%	23.5%
Veterans, 2008-2012	2,235	493,980
Mean travel time to work (minutes), workers age 16+, 2008-2012	23.0	24.1
Housing units, 2012	11,987	2,834,620
Homeownership rate, 2008-2012	72.9%	68.4%
Housing units in multi-unit structures, percent, 2008-2012	4.6%	18.2%
Median value of owner-occupied housing units, 2008-2012	\$88,000	\$138,700
Households, 2008-2012	9,908	2,468,841
Persons per household, 2008-2012	2.59	2.51
Per capita money income in past 12 months (2012 dollars), 2008-2012	\$17,761	\$24,294
Median household income, 2008-2012	\$33,066	\$44,140
Persons below poverty level, percent, 2008-2012	23.5%	17.3%
Business QuickFacts	McNairy County	Tennessee
Private nonfarm establishments, 2011	429	129,489 ¹
Private nonfarm employment, 2011	4,553	2,300,542 ¹
Private nonfarm employment, percent change, 2010-2011	-1.2%	1.6% ¹
Nonemployer establishments, 2011	1,746	473,451
Total number of firms, 2007	1,855	545,348
Black-owned firms, percent, 2007	F	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.5%

MAY 15 '14 PM 1:54

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John Wellborn
SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of May, 2014 a Notary
(Month) (Year)

Public in and for the County/State of Davidson / Tennessee

M. J. [Signature]
NOTARY PUBLIC

My commission expires November 5, 2014.
(Month/Day) (Year)



LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Jackson Sun, which is a newspaper of general circulation in Madison County, Tennessee, on or before May 10, 2014, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that the BHG Jackson Treatment Center (an adult non-residential substitution-based treatment center for opiate addiction formerly named "Jackson Professional Associates"), owned and managed by VCPHCS XIX, LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate from its current site at 1869 Highway 45 Bypass, Suite 5, Jackson, TN 38305, to 58 Carriage House Drive, Suites A & B, Jackson, TN 38305 (a distance of 1.5 miles), at a project cost estimated at \$1,300,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction--with testing, monitoring, counseling, medication (including methadone and suboxone) , and related services required for State licensure and for Federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John Wellborn 5-8-14
(Signature) (Date)

jwdsg@comcast.net
(E-mail Address)

COPY SUPPLEMENTAL-1

BHG Jackson Treatment center

CN1405-014

MAY 27 10:40 AM

May 22, 2014

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1405-014
BHG Jackson Treatment Center

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Applicant Profile, Item 6

a. The lease in Exhibit A is noted. However, Exhibit A (floor plan) includes two attached rooms and a restroom not included in the premises. Also, it appears there is access to the proposed site through a doorway from those areas. Please clarify.

The floor plan for the project submitted in Attachment B.I.4 shows that there is no access to the project space on that side; and it shows the entire premises after renovation. The lease exhibit is a preliminary drawing used only in lease negotiation to illustrate what was not to be included on that floor.

b. Please clarify why the applicant chose to sign a lease effective since February 2014, rather than signing an option to lease until the Agency decision in August 2014.

BHG has found that many lessors are reluctant to sign options. It is more acceptable to them, and more efficient for BHG, to fully negotiate and sign a conditional lease such as this one. It provides advance compensation to the landlord for tying up the property during a long State review process, just as an option would; the lease is cancellable should CON approval not be granted; and once CON approval is granted, the applicant can begin the project without further delay.

2. Section B., Project Description, Item I

a. What is the average time a patient is on-site to receive a daily methadone dose from the beginning to the end.

Page Two
May 22, 2014

Patients coming only for daily dosing will be in and out of the clinic in an average of fifteen minutes. Counseling can add a half hour. The clinic estimates a range of fifteen to forty-five minutes. The overall average might be twenty to twenty-five minutes. Time studies are not conducted.

b. What are the hours of the security officer in relation to the applicant's business hours?

The security officer is currently on the premises from the time the doors open (5 am weekdays; 6 am weekends) to the time dosing is concluded (11 AM weekdays; 9 am weekends). BHG is going to phase out the employment of a full-time security officer, which this clinic was unaware of, when the application was filed (see page 9 of the original application). BHG's corporate management feels that scientific evidence has shown that addiction is a disease that requires structured treatment utilizing methods and resources that correlate to evidence-based medicine. Signaling to patients that they are "not to be trusted" by employing on-site security sends a message that is in direct conflict with that concept. In addition, as owner-operators of 37 treatment centers, BHG reports having had little to no experience with patient violence or theft at any treatment center. BHG's current view is that security monitoring should be done with clinic employees, because 3rd party, unarmed security personnel may become disengaged and unreliable.

3. Section B., Project Description, Item II.A

a. It appears there is an attached car radio shop consisting of 4,815 square feet of space. Please describe the business, and if possible, the following:

- The number of employees
- The average customers per day
- Please indicate if the car radio shop is supportive of the adjoining proposed project.

The landlord/lessor owns both the building and the auto/boat radio shop that is the other tenant--so yes, that business is supportive, and is comfortable that neither parking nor security issues will be of concern. The applicant must assume that the landlord's customers and employees will be comfortable with the arrangement; CON applicants are not able to inquire into employee attitudes and customer traffic at neighboring businesses.

b. Please clarify if having a retail business adjoining the proposed site is the optimal arrangement for a non-residential substitution-based treatment center for opiate addiction clinic, and why did the applicant not choose to identify a new site that was more private and freestanding?

Optimal is difficult to define. It is good to stay close to the current location if possible so patients have little adjustment to make in their daily commuting schedules. The clinic currently operates in a retail environment with other businesses, so this change of location will increase the clinic's privacy.

Page Three
May 22, 2014

c. Please describe the availability, inventory and cost of possible commercial sites within 10 minutes of the existing methadone clinic.

There were very few available options within a short drive of the current location. The realtor searched the market area for several weeks. Three sites were identified that met BHG requirements for proximity to the current convenient site, ease of roadway access, adequacy of parking, privacy, cost, and compatibility with nearby uses. This proved to be the best choice.

d. Please describe any soundproofing that will be installed for confidentiality.

The contractor will install counseling room hard-walls that extend from floor to ceiling, so no soundproofing is necessary or planned. Should licensure rules later require more, the clinic can comply with a retrofit.

e. Please provide the land uses in all directions in relation to the proposed site that is noted to be submitted under separate cover.

The land use inventory is attached after this page.

f. What are the ages of the existing non-residential substitution-based treatment center for opiate addiction building and the proposed clinic site?

The proposed building was constructed in 1976, but was renovated in 1986 and its effective date on the tax records is 1986, 28 years ago. It is in excellent condition. The building currently occupied by this clinic was constructed in 1979, about 35 years ago, and has not had a renovation.

4. Section B., Project Description, Item III.A.

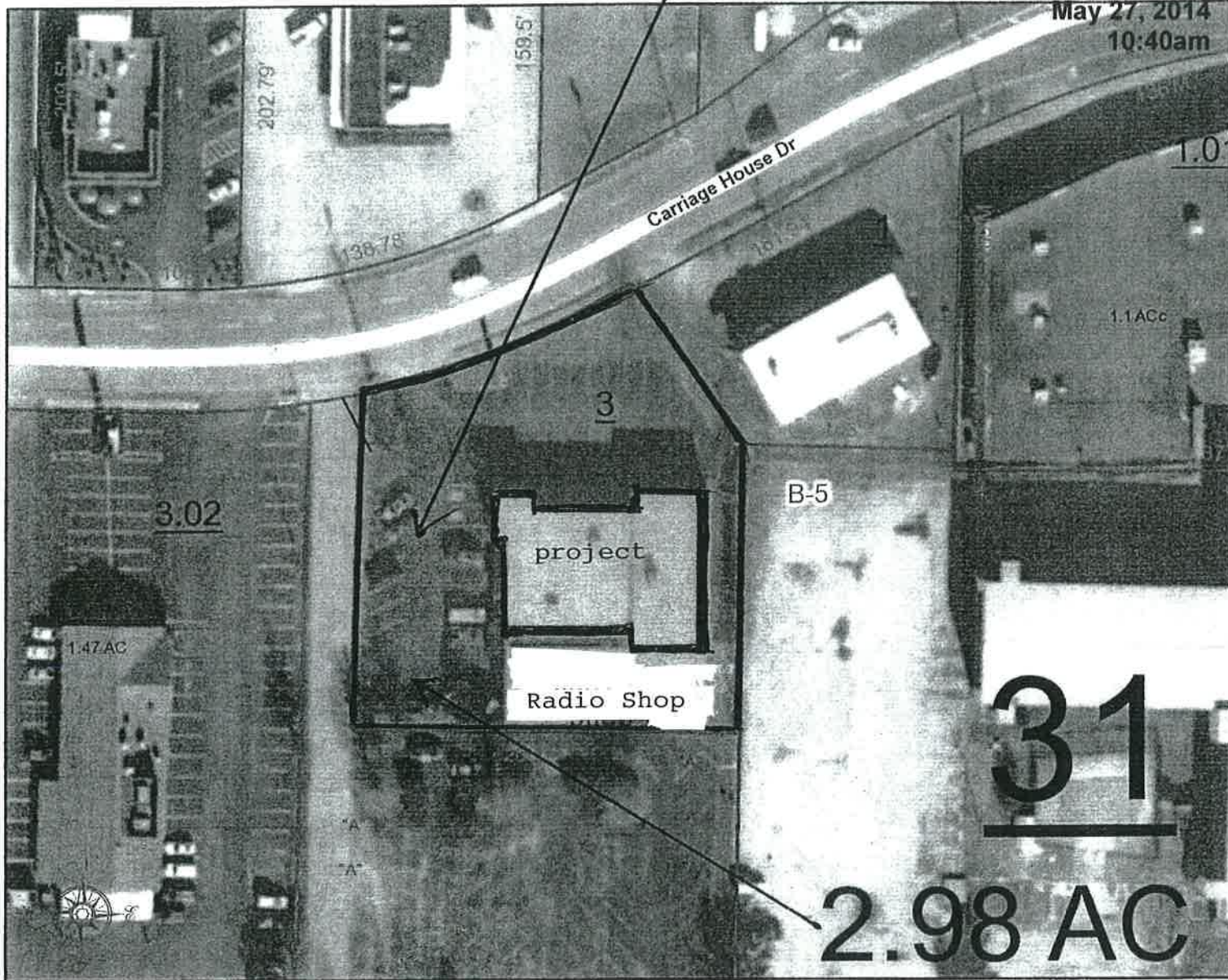
As required for all projects, a Plot Plan must provide the size of the site (in acres), location of the structure on the site, the location of the proposed construction, and the names of streets, roads, highways that cross or border the site. Please provide a new Plot Plan with all the required information.

A plot plan is attached after this page. The only bordering street is the four-lane street in front of the building.

58 Carriage House Aerial

SUPPLEMENTAL- # 1

May 27, 2014
10:40am



CITY OF JACKSON, TENNESSEE

DISCLAIMER: THIS MAP IS FOR PROPERTY TAX ASSESSMENT PURPOSES ONLY. IT WAS CONSTRUCTED FROM PROPERTY INFORMATION RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS AND IS NOT CONCLUSIVE AS TO LOCATION OF PROPERTY OR LEGAL OWNERSHIP.

MAP DATE: May 21, 2014

Page Four
May 22, 2014

5. Section C, Need, Item 4.A.

Your response in Table Six is noted. However, please clarify the following two areas of the table:

- a. In regards to Median Age-2010 US Census, please clarify how the median age for the proposed service area is at 32, is lower than each of the eight counties (36.2-43.5) in the service area and the State of Tennessee (38).**
- b. Please clarify why the persons below poverty Level as % of population of 15.9% for the proposed service area is lower than each individual county (16.9%-23.5%) in the service area and the State of Tennessee (17.3%).**

Attached after this page is a corrected Table Six, page 43R. The two errors occurred when converting a ten-county master spreadsheet form to this eight-county project; the denominator in the averaging formula for those two cells was not changed from ten to eight.

6. Section B., Project Description, Item III.B.1

Please describe the city streets patients will need to travel from the interstate. Are the streets in a residential neighborhood? Will the streets be able to accommodate additional traffic?

The street, Carriage Hill Drive, is a major four-lane street. Most of this project's traffic will occur between 5 AM and 9AM and it should not be a problem. There are no residential neighborhoods in close proximity to the site. Please see the list of land uses attached above, in response to your question 3e.

7. Section C, Need, Item 6

Please clarify why the average daily census will remain unchanged from 2014 to 2016. When does the applicant expect utilization to increase from current levels?

As the historic utilization table shows, census has remained fairly level from year to year and has not increased for some time. So there is no historical trend that would support projections of increased census.

**Table Six: Demographic Characteristics of Primary Service Area--Age Cohorts 18-64, 65+, All Ages
BHG Jackson Treatment Center (REVISED ON FIRST SUPPLEMENTAL RESPONSE)**

2014-2018

Demographic	CHESTER County	CROCKETT County	GIBSON County	HARDEMAN County	HARDIN County	HENDERSON County	MADISON County	MCNAIRY County	TENNESSEE PSA	STATE OF TENNESSEE
Median Age--2010 US Census	36.2	39.6	39.9	39.2	43.5	39.7	36.8	41.6	40	38.0
Total Population-2014	17,472	14,596	51,102	26,359	26,012	28,186	99,555	26,582	289,864	6,588,698
Total Population-2018	17,999	14,683	52,163	26,067	26,244	28,631	101,001	27,299	294,087	6,833,509
Total Population--% Change 2014 to 2018	3.0%	0.6%	2.1%	-1.1%	0.9%	1.6%	1.5%	2.7%	1.5%	3.7%
Age 65+ Population-2014	2,749	2,550	8,788	4,230	5,397	4,737	14,350	5,064	47,865	981,984
% of Total Population	15.7%	17.5%	17.2%	16.0%	20.7%	16.8%	14.4%	19.1%	16.5%	14.9%
Age 65+ Population-2018	2,926	2,644	9,211	4,550	5,832	5,232	15,838	5,465	51,698	1,102,413
% of Total Population	16.3%	18.0%	17.7%	17.5%	22.2%	18.3%	15.7%	20.0%	17.6%	16.1%
Age 65+ Population-- % Change 2014-2018	6.4%	3.7%	4.8%	7.6%	8.1%	10.4%	10.4%	7.9%	8.0%	12.3%
Age 18-64 Population-2014	10,875	8,533	30,026	16,881	15,275	16,976	61,626	15,596	175,788	4,101,723
% of Total Population	62.2%	58.5%	58.8%	64.0%	58.7%	60.2%	61.9%	58.7%	60.6%	62.3%
Age 18-64 Population-2018	11,169	8,648	30,782	16,461	15,093	17,160	61,248	15,884	176,445	4,204,944
% of Total Population	62.1%	58.9%	59.0%	63.1%	57.5%	59.9%	60.6%	58.2%	60.0%	61.5%
Age 18-64 Population-- % Change 2014-2018	2.7%	1.3%	2.5%	-2.5%	-1.2%	1.1%	-0.6%	1.8%	0.4%	2.5%
Median Household Income	\$42,097	\$37,601	\$36,981	\$31,963	\$33,044	\$37,784	\$42,348	\$33,066	\$36,860.50	\$44,140
TennCare Enrollees (12/13)	3,355	3,456	11,111	6,058	6,164	5,963	20,076	6,714	62,897	1,211,113
Percent of 2014 Population Enrolled in TennCare	19.2%	23.7%	21.7%	23.0%	23.7%	21.2%	20.2%	25.3%	21.7%	18.4%
Persons Below Poverty Level (2012)	2,953	2,802	9,505	6,063	5,775	4,933	18,219	6,247	56,495	1,139,845
Persons Below Poverty Level As % of Population (US Census)	16.9%	19.2%	18.6%	23.0%	22.2%	17.5%	18.3%	23.5%	19.9%	17.3%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts and FactFinder2;
TennCare Bureau. PSA data is unweighted average or total of county data.
NR means not reported in U.S. Census source document.

Page Five
May 22, 2014

8. Section C, Economic Feasibility, Item 1 (Project Costs Chart)

There referenced Architect's letter in Attachment C, Economic Feasibility-1 is not included in the application. Please provide the referenced attachment that includes the following:

- **a general description of the project,**
- **his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements and**
- **attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the new 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities, if applicable.**

The letter is attached following this page. The architect states that the 2006 dates on these citations and the NC code citation are in fact what the City of Jackson has in place; and of course he is contractually obligated to build to State or Federal licensure standards including applicable AIA Guidelines. He provides architectural services to BHG in multiple States and cities.

9. Section C, Economic Feasibility, Item 4 Historical Data Chart and Projected Data Chart

a. Please clarify the reason there is no data in the Historical data chart for 2011.

The applicant LLC was acquired by BHG in late November 2011 from an unaffiliated owner. The first full calendar year financial reporting period under BHG's ownership occurred in 2012. BHG has no access to financial data for 2011, which would be needed to complete that column on the Historical Data Chart.

b. Please clarify the reason there are no management fees listed on either the Historical or Projected Data Chart.

BHG does not have "management" agreements with non-affiliates. Where it incurs third-party expenses such as legal fees or IT service-related fees, those expense items are captured in the "Other Expenses" category (D.9.). BHG has a corporate office that supports its clinics with centralized services (Finance & Accounting, Compliance, Human Resources & Training, Business Development, Information Technology, & Operations), but those personnel expenses are not allocated to the treatment center level. Those expenses are detailed in the attached BHG corporate Financial Audit for the year-ended 2013.

**May 27, 2014
10:40am**



1052 Oakhaven Road
Memphis TN 38119
901 761 3905
901 761 4103
www.dentonarchitecture.com

21 May 2014

Ms Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building; 9th Floor
502 Deaderick Street
Nashville Tennessee 37243

RE: ADC Recovery and Counseling Center
58 Carriage House Jackson TN

Dear Ms Hill:

Denton Architecture has reviewed the construction cost estimate provided by Behavioral Health Group. Based on experience and the current construction market, it is our opinion that the projected construction cost of \$372,540 appears to be reasonable for this project type, size & location.

Below is a list of the current codes and laws governing the design and construction of this project.

Codes:

- 2006 International Building Code (IBC)
- 2006 International Mechanical Code (IMC)
- 2006 International Plumbing Code (IPC)
- 2006 International Fire Code (IFC)
- 2006 International Fuel & Gas Code (IFGC)
- 2006 International Energy Conservation Code (IECC)
- 2005 National Electrical Code (NEC)
- 1999 North Carolina Accessibility Code Volume 1-C w/2002 & 2004 amendments
or 2003 Accessibility Code ICC/ANSI A117.1

Laws:

Americans with Disability Act Accessibility Guidelines (revised 9-15-2010)

Thank you

A handwritten signature in black ink, appearing to read 'Marcus S. Denton', written over a horizontal line.

Marcus S Denton, AIA

Page Six
May 22, 2014

c. In 2013 there was \$140.00 spent on training on the Historical Data Chart. Please clarify how training expense is allocated. Also, please clarify why training increases to \$2,000 in Year One and Year Two in the Projected Data Chart from current levels.

BHG maintains a fully accredited Training Department within its corporate office. The training department is responsible for working with internal and external subject matter experts to develop and execute monthly, quarterly, and annual training for existing and new BHG team members. This training is delivered via a Learning Management System (LMS) / training specific information technology platform. The expenses for the training department personnel are captured at the corporate level. The expenses for the LMS system are allocated pro rata to each treatment center based on employee headcount. These expenses are captured within the "Other Expenses (Specify)" category (D.9.) within Section D – Operating Expenses.

The projected training expense was increased in the future years #1 and #2 because BHG plans to supplement internal training by sending key leaders (Executive Directors, Program Directors, and Physicians) to external training such as the regional American Society of Addiction Medicine Conferences (ASAM).

d. Security expense is listed as \$1,380 in Year One and In Year Two in the Projected Data Chart. Please clarify if this amount is adequate in hiring a security officer.

The Security expense listed in the projections was for the security alarm monitoring expense. BHG invests in the latest security alarm system technology at all of its treatment centers. Those one-time investments are capitalized. The ongoing monitoring costs, which include maintenance as part of the contract, are not particularly expensive – typically \$65-\$100 per month for a "supervised" IP based alarm system (for the perimeter, medication room, and medication room safe) that includes cellular and battery backups.

Page Seven
May 22, 2014

e. The physician salaries and wages are listed as \$56,373 on the Historical Data Chart in 2012, increasing to \$104,000 in Year One of the project without an increase in patients. Please clarify.

Two factors account for that increase. First, BHG used to employ a Nurse Practitioner who provided Physician Extender coverage at the treatment center. Her historical wage expense is captured in the "Salaries and Wages" line (D.1.) within the Operating Expenses section. Second, BHG is increasing physician coverage hours at each of its treatment centers based on a 2014 objective to increase treatment team engagement and patient stability. By increasing the number of coverage hours and, by extension, the compensation of our physicians, BHG will realize higher levels of physician engagement and participation in treatment center operations. A more engaged and available physician will improve patient and employee experience, improve care coordination within the community (due to increased physician participation on this dimension), and lead to better patient outcomes.

10. Section C, Economic Feasibility, Item 6.A.

a. The routine weekly charges on page 59 are noted. However, please clarify the reason the subutex monthly fee of \$175.00, as listed in the fee schedule on page 60, is lower than the routine weekly charge of \$98.00.

The routine weekly fee is the fee for services related to methadone replacement therapy and includes unlimited access to assigned counselors, physician office visits, daily medication preparation, administration, and dispensation, and random drug testing.

The subutex monthly fee is the fee for services related to subutex replacement therapy and includes unlimited access to assigned counselors, physician office visits, and random drug testing. Medication is not included in this fee – primarily because the cost of the subutex medication is significantly greater. Subutex medication is charged various rates based on the number of milligrams prescribed/ordered for each patient.

b. Please provide a brief overview of the jail/hospital dosing services.

This is a standard option provided in BHG fee schedules, but one that is rarely used. If a patient is hospitalized or confined to jail, BHG clinic staff take the dosing to the patient so that daily medication needs will be met without interruption. BHG Jackson does not currently have any patients in that status, nor has it had since BHG assumed control of the operation.

Page Eight
May 22, 2014

10. Section C, Economic Feasibility, Item 10.

a. Please provide a copy of the latest balance sheet and income statement for the applicant as well as the most recent audited financial statements with accompanying notes, if available.

Please see the applicant's balance sheet and income statement documentation at the end of this letter. BHG does not conduct audits at the clinic level. See 10b below.

b. If the proposed program's development will be funded by the applicant's parent company, please provide a copy of the parent company's audited financial statements for the most recently completed period for which the balance sheet and income statements are available.

Please see the parent company's audit letter and income statement and balance sheet, attached at the end of this letter.

11. Section C, Orderly Development, Item 7

a. Joint Commission accreditation is noted. Please provide a copy of the latest survey and documentation of accreditation.

Please see the Joint Commission certificate and survey information at the end of this letter.

b. Please provide documentation from TDMHSAS that the November 4th 2013 corrective action plan as a result of the October 24, 2013 TDMHSAS annual inspection was accepted.

TDMHSAS acceptance/compliance documentation follows this page.

13. Support Letters

Please provide any letters of support from the community, government, judicial and law enforcement, physical and behavioral health care providers, and residents near the proposed facility.

No support letters have yet been requested. If they are received they will be provided to HSDA staff promptly, later in the review process.



SUPPLEMENTAL- # 1

**May 27, 2014
10:40am**

**STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
West Tennessee Regional Office of Licensure
951 Court Avenue
MEMPHIS, TENNESSEE 38103**

BILL HASLAM
GOVERNOR

E DOUGLAS VARNEY
COMMISSIONER

COMPLIANCE EVENT STATUS REPORT

LICENSEE:

VCPHCS XIX, LLC
8300 Douglas Avenue Suite 750
Dallas, TX 75225

Licensee ID: 1440

FACILITY:

BHG Jackson Treatment Center
1869 Highway 45 Bypass, Suite 5
Jackson, TN 38305

Site ID: 3249

NOTICE TO LICENSEE: A review has been completed of your recently submitted plan of compliance. The approval status given your plan is indicated below. Read the approval status given below carefully. This approval status form and your plan of compliance should become part of your records.

COMPLIANCE EVENT & DATE: SOTA Inspection 10/24/13

Site ID:3249 Event ID:717

Sandy Randle, West Tennessee Licensure

POC Approved

Your plan of compliance has been accepted. You are expected to meet the terms of your plan. Re-inspection may be conducted to verify compliance. With re-inspection, you will incur a \$50 re-inspection fee.

*With the exception of any deficiencies listed herein;
Detailed Program Requirements for DEEMED Chapter(s) considered compliant per accreditation by:
Joint Commission on Accreditation of Health Care Organizations (JCAHO)*

Page Nine
May 22, 2014

14. Proof Of Publication

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

A scanned version is attached at the end of the letter. The original was mailed to the applicant and can be delivered to HSDA under separate cover when it arrives, if an original is required.

15. Notification Requirements


Please note that Tennessee Code Annotated 68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a non-residential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a non-residential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Please provide documentation that these notification requirements have been met.

The documentation is attached at the end of this response.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn
Consultant

SUPPLEMENTAL- # 1

May 27, 2014

10:40am

VCPHCS XIX, LLC
d/b/a BHG Jackson Treatment Center
Income Statement
Wednesday, April 30, 2014

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

	Total
	<u>Trailing Twelve Months</u>
SALES	
MMT Program Fees	\$ 1,445,088
Suboxone	10,778
Net Sales	<u>\$ 1,455,866</u>
EXPENSES	
Lab Fees	\$ 24,412
Wages & Salaries	483,846
Medical Supplies	18,767
Medication	37,934
Contract Labor	75,536
Cost of Sales	<u>640,495</u>
Gross Profit	\$ 815,371
Advertising & Promotion	\$ 741
Bank Fees	8,487
Bad Debts	(123)
Dues, Subscriptions & Donations	129
Business Insurance	14,592
Employee Benefits	31,988
Postage & Delivery	773
Legal & Accounting	9,655
Rent Expense	62,956
Repairs & Maintenance	16,708
Telephone	20,488
Travel & Entertainment	9,377
Utilities	15,026
Other Professional Services	16,268

VCPHCS XIX, LLC
d/b/a BHG Jackson Treatment Center
Income Statement
2,463 Wednesday, April 30, 2014

Payroll Expense	323
Training & Education	437
Employee Recruit. & Reloc.	4,671
Licenses & Permits	12,437
Office Expense	24,283
Security	
Taxes - Prop., Franchise, Other	41,355
Payroll Taxes	1,275
Waste Removal	
Total Operating Expense	\$ 294,309
EBITDA	\$ 521,062
Depreciation & Amortization	173,545
Total Fees, Amortization & Depreciation	\$ 173,545
EBIT	\$ 347,517
Interest Expense	\$ 173,175
Total Interest Expense (Other Income)	173,175
Income/(Loss) Before Taxes	\$ 174,342
Income Tax	\$ (2,190)
Total Taxes	(2,190)
Net Income	\$ 176,532

SUPPLEMENTAL- # 1

May 27, 2014
10:40am

Behavioral Health Group
VCPHCS XIX LLC and Consolidation of All Companies
Balance Sheet
April 30, 2014

	VCPHCS XIX, LLC	VCPHCS LP Consolidated
ASSETS		
Cash on Hand	\$17,289	\$583,548
Segregated Cash		
Accounts Receivable	10,611	680,030
Inter-company VCPHCS	514,469	
Inter-company Applan		
Inter-company DRD		
Inventory	8,789	225,958
Prepaid Assets	29,432	936,098
Other Current Assets		
Total Current Assets	580,590	2,426,634
Non-Current Assets		
Investments DRD		
Investments in DRD Holdings		
Investments-Applan		
Investments-VCPHCS		
Long Term Investments		
Fixed Assets	38,772	4,713,007
Goodwill	1,412,164	99,999,554
Intangible Assets	321,709	10,112,395
Notes Receivable due LLC Subs and DRD Mgmts		
Other Assets	8,047	1,181,353
Total Non-Current Assets	1,780,692	116,006,309
Total Assets	\$2,361,282	\$118,432,943
LIABILITIES		
Current Liabilities		
Accounts Payable	\$8,856	\$455,378
Short Term Notes Payable		
Current Portion of Capitalized Lease Obligation		
Current Maturities of Long-term Debt		\$368,786
Inter-company Payables-DRD		
Deferred Revenue	16,322	\$425,395
Accrued Expenses	23,428	\$2,220,432
Accrued Taxes	(5,168)	(\$328,920)
Total Current Liabilities	43,438	3,141,071
Long-term Debt		
Notes Payable due LLC Subs and DRD Mgmt		58,923,110
Deferred Lease Liability		263,494
Deferred Income Taxes, Net	(5,315)	33,822
Long-Term Liabilities	(5,315)	59,220,426
Total Liabilities	38,123	62,361,497
Treasury Stock		
Opening Balance	2,157,000	64,958,500
Paid-In Capital		
Prior Ownership Retained Earnings	19,337	(8,085,149)
Retained Earnings	147,822	(821,905)
Net Income YTD		
Stockholders' Equity	2,323,159	56,071,446
Liabilities and Shareholder's Equity	\$2,361,282	\$118,432,943

SUPPLEMENTAL- # 1

May 27, 2014

10:40am

HIGHLY CONFIDENTIAL - DO NOT DISCLOSE



Tel: 214-969-7007
Fax: 214-953-0722
www.bdo.com

SUPPLEMENTAL- # 1

700 North Pearl, Suite 2000
Dallas, TX 75201
May 27, 2014
10:40am

May 22, 2014

Ms. Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Dear Ms. Hill:

We have audited the consolidated balance sheets of BHG Holdings, LLC, d/b/a "Behavioral Health Group," (Parent Entity of VCPHCS LP) as of December 31, 2013, 2012, and 2011, and the related consolidated statements of operations, partners' capital and cash flows for the years then ended. In connection therewith, we issued an unqualified opinion dated March 24, 2014 on such consolidated financial statements.

These consolidated financial statements are the responsibility of the Partnership's management. As reflected in the consolidated balance sheet as of December 31, 2013, the cash balance is in excess of \$980,000 and total assets as of December 31, 2013, is in excess of \$20.0 million.

Our audits of the consolidated financial statements as of December 31, 2013, 2012, and 2011, and for the years ended December 31, 2013, 2012, and the period from June 30, 2011 (Inception) through December 31, 2011 comprised audit tests and procedures deemed necessary for the purposed of expressing an opinion on such consolidated financial statements taken as a whole, and not on the individual account balances or totals referred to above.

Very truly yours,

BDO USA, LLP

BHG Holdings, LLC

**Consolidated Financial Statements
As of December 31, 2013 and 2012**

BHG Holdings, LLC

Consolidated Balance Sheets

December 31,	2013	2012
Assets		
Current assets		
Cash	\$ 985,159	\$ 2,594,020
Receivables	303,799	167,819
Inventory	184,383	106,107
Taxes receivable	293,340	156,403
Prepaid expenses and other current assets	923,557	617,895
Total current assets	2,690,238	3,642,244
Property and Equipment, net	4,856,008	4,848,067
Goodwill	99,999,554	94,849,082
Intangible Assets, net	11,227,318	12,583,259
Other Assets, net	1,269,798	1,227,623
Total Assets	\$ 120,042,916	\$ 117,150,275
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 653,872	\$ 1,028,759
Short term notes payable	44,779	47,888
Current maturities of long-term debt	368,786	390,581
Accrued expenses	2,827,568	2,919,082
Total current liabilities	3,895,005	4,386,310
Long Term Liabilities		
Long-term debt	59,171,510	54,014,587
Deferred income taxes, net	33,822	596,732
Deferred lease liability	249,228	16,916
Total liabilities	63,349,565	59,014,545
Members' Equity		
Class A Units - 64,758.50 and 63,908.50 units authorized, issued and outstanding, respectively	64,758,500	63,908,500
Class B Units - 10,802.66 and 8,588.64 units authorized and issued and 3,384.37 and 1,999.70 units outstanding, respectively		
Class C Units - 200.00 units authorized, issued and outstanding for both years		
Retained deficit	(8,065,149)	(5,772,770)
Total members' equity	56,693,351	58,135,730
Total Liabilities and Members' Equity	\$ 120,042,916	\$ 117,150,275

See accompanying notes to consolidated financial statements

BHG Holdings, LLC

Consolidated Statements of Operations

<i>For the years ended December 31,</i>	2013	2012
Revenues and Cost of Services		
Patient service revenues	\$ 36,961,243	\$ 32,069,793
Cost of services	15,293,476	12,960,482
Gross Margin	21,667,767	19,109,311
Clinic operating expenses	7,372,956	5,781,155
General and administrative expenses	6,273,958	4,884,497
Sponsor management fees and expenses	375,932	408,748
Depreciation and amortization	6,542,717	5,715,565
(Gain) loss on property plant and equipment	(1,643,739)	89,715
Operating Profit	2,745,943	2,229,631
Other Income (Expense)		
Other income	-	84,514
Interest expense, net	(5,096,414)	(4,816,257)
Net Loss before Taxes	(2,350,471)	(2,502,112)
Benefit from income taxes	58,092	581,366
Net Loss	\$ (2,292,379)	(1,920,746)

See accompanying notes to consolidated financial statements

Consolidated - Post Eliminations

	Total TTM
SALES	
MMT Program Fees	\$ 37,185,576
Suboxone	811,772
Management fee	
Rent Revenue	
Net Sales	<u>\$ 37,997,348</u>
EXPENSES	
Lab Fees	\$ 764,425
Wages & Salaries	12,010,291
Medical Supplies	408,343
Medication	964,663
Contract Labor	2,068,858
Other	0
Cost of Sales	<u>\$ 16,216,580</u>
Gross Profit	\$ 21,780,768
Advertising & Promotion	\$ 123,142
Bank Fees	271,289
Bad Debts	6,035
Dues, Subscriptions & Donations	19,190
Business Insurance	422,896
Employee Benefits	1,117,333
Postage & Delivery	38,994
Management Fees	
Legal & Accounting	613,263
Rent Expense	2,100,087
Repairs & Maintenance	301,928
Telephone	491,199
Travel & Entertainment	725,318
Utilities	355,570
Other Professional Services	673,878
Payroll Expense	87,273
Training & Education	(749)
Employee Recruit. & Reloc.	236,838
Licenses & Permits	178,127
Office Expense	518,114
Security	294,948
Taxes - Prop., Franchise, Other	170,638
Payroll Taxes	1,246,718
Wages & Salaries - Corporate	3,534,486
Board Fees & Related Expenses	101,323
Waste Removal	66,146
Other	
Total Operating Expense	<u>\$ 13,693,984</u>
EBITDA	\$ 8,086,784
Adjusted EBITDA	\$ 10,177,141
Adjusted EBITDA	\$ 11,001,607
Depreciation & Amortization	<u>5,892,386</u>
Total Fees, Amortization & Depreciation	\$ 5,892,386
EBIT	\$ 2,194,398
Other Income	\$ 1,523,835
Interest Expense	5,206,974
Total Interest Expense (Other Income)	<u>\$ 3,683,139</u>
Income/(Loss) Before Taxes	\$ (1,488,741)
Income Tax	(206,687)
Total Taxes	<u>(206,690)</u>
Net Income	\$ (1,282,051)

SUPPLEMENTAL- # 1

May 27, 2014

10:40am

VCPHCS XIX, LLC
Jackson Professional Associates
Jackson, TN

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Behavioral Health Opioid Treatment Accreditation Program

September 13, 2012

Accreditation is customarily valid for up to 36 months.

David A. Whiston

David A. Whiston, D.D.S.
Chairman of the Board

Organization ID #: 522008
Print/Reprint Date: 09/27/12

Mark Chassin

Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

**VCPHCS XIX, LLC
1869 Highway 45 Bypass
Jackson, TN 38305**

Organization Identification Number: 522008

Program(s)
Behavioral Health Care Accreditation

Survey Date(s)
07/18/2012-07/19/2012

Executive Summary

As a result of the survey conducted on the above date(s), the following survey findings have been identified. Your official report will be posted to your organization's confidential extranet site. It will contain specific follow-up instructions regarding your survey findings.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

DIRECT Impact Standards:

Program:	Behavioral Health Care Accreditation Program	
Standards:	RC.02.01.01	EP2

INDIRECT Impact Standards:

Program:	Behavioral Health Care Accreditation Program	
Standards:	HR.02.01.03	EP23
	LD.04.01.07	EP1
	MM.04.01.01	EP5

The Joint Commission
Findings

SUPPLEMENTAL- # 1

May 27, 2014
10:40am

Chapter: Human Resources
Program: Behavioral Health Care Accreditation
Standard: HR.02.01.03

Standard Text: The organization assigns initial, renewed, or revised clinical responsibilities to staff who are permitted by law and the organization to practice independently.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

23. The governing body approves, in writing, clinical responsibilities.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 23

Observed in Competency Session at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.

The assignment of clinical responsibilities has not been completed for one of two LIP's who provide medical care in this organization

Chapter: Leadership
Program: Behavioral Health Care Accreditation
Standard: LD.04.01.07

Standard Text: The organization has policies and procedures that guide and support care, treatment, or services.

Primary Priority Focus Area: Organizational Structure

Element(s) of Performance:

1. Leaders review and approve policies and procedures that guide and support care, treatment, or services.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 1

Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.

The policies and procedures specific to Temporary Transfers (or guest dosing) did not address the interim procedures to be implemented when a person requesting immediate admission to this clinic begins treatment at an affiliated clinic and then guest doses at this clinic until the day they can be scheduled to this clinic for admission to this clinic.

Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.

The admission and scope of assessment policy or policies did not clearly address the criteria for either reviewing an revising an assessment or initiating a new assessment when a patient was initially admitted to an affiliated clinic and then transferred to this clinic within a short time.

Chapter: Medication Management

The Joint Commission
Findings

SUPPLEMENTAL- # 1

**May 27, 2014
10:40am**

Program: Behavioral Health Care Accreditation

Standard: MM.04.01.01

Standard Text: Medication orders are clear and accurate.
Note: This standard is applicable only to organizations that prescribe medications. The elements of performance in this standard do not apply to prescriptions written by a prescriber who is not affiliated with the organization.

Primary Priority Focus Area: Medication Management

Element(s) of Performance:

5. For organizations that prescribe medications: The organization has a written policy that defines actions to take when medication orders are incomplete, illegible, or unclear.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 5

Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in one clinical record indicated that the patient was guest dosed at this clinic the day before the order was faxed to the clinic.

Chapter: Record of Care, Treatment, and Services

Program: Behavioral Health Care Accreditation

Standard: RC.02.01.01

Standard Text: The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

2. The clinical/case record of the individual served contains the following clinical information:



- The reason(s) for admission for care, treatment, or services
- The initial diagnosis, diagnostic impression(s), or condition(s)
- Any findings of assessments and reassessments
- Any allergies to food
- Any allergies to medications
- Any conclusions or impressions drawn from the medical history and physical examination
- Any diagnoses or conditions established during the course of care, treatment, or services
- Any consultation reports
- Any observations relevant to care, treatment, or services
- The response to care, treatment, or services
- Any emergency care, treatment, or services provided prior to arrival
- Any progress notes
- Any medications ordered or prescribed
- Any medications administered, including the strength, dose, and route
- Any access site for medication, administration devices used, and rate of administration (for intravenous therapy)
- Any adverse drug reactions
- Treatment goals, plan of care, and revisions to the plan of care, treatment, or services
- Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category :C

Score : Insufficient Compliance

Observation(s):

EP 2

Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.

The treatment plan in one clinical record addressed the patient's history of depression. The clinical record did not provide information in the assessments about the patient's history of depression. The assessment queried whether the patient had received previous mental health treatment and the patient responded "yes." There was no further information documentation about the mental health treatment or about the current depression addressed in the treatment plan.

Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.

The documentation in a second patient's clinical record indicated that the patient began treatment the previous day (6/24/2012) at an affiliated methadone clinic and was guest dosed the second day at this methadone clinic. The documentation required for guest dosing was faxed to this organization (order, physical evaluation) on 6/26/2012 and the patient was dosed at this clinic on 6/25/2012. This clinic did not receive documentation related to the patient's response to the first dose of methadone and this clinic did not document their observation of the patient's second dose of methadone. The patient was admitted to this clinic on 6/26/2012.

Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.

The information in four clinical records reviewed contained "dates of enrollment" that were different from the date the physician admitted this patient to this clinic. Interviews with staff indicated that the "date of enrollment" was the date of the first communication with the person. The clinical record did not contain information about any interactions, communications or pre-screenings that transpired with the persons prior to the date that the person got admitted to the organization.

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 45-day Evidence of Standards Compliance Form

Due Date: 9/2/2012

BHC Standard RC.02.01.01 The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Findings: EP 2 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The treatment plan in one clinical record addressed the patient's history of depression. The clinical record did not provide information in the assessments about the patient's history of depression. The assessment queried whether the patient had received previous mental health treatment and the patient responded "yes." There was no further information documentation about the mental health treatment or about the current depression addressed in the treatment plan. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in a second patient's clinical record indicated that the patient began treatment the previous day (6/24/2012) at an affiliated methadone clinic and was guest dosed the second day at this methadone clinic. The documentation required for guest dosing was faxed to this organization (order, physical evaluation) on 6/26/2012 and the patient was dosed at this clinic on 6/25/2012. This clinic did not receive documentation related to the patient's response to the first dose of methadone and this clinic did not document their observation of the patient's second dose of methadone. The patient was admitted to this clinic on 6/26/2012. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The information in four clinical records reviewed contained "dates of enrollment" that were different from the date the physician admitted this patient to this clinic. Interviews with staff indicated that the "date of enrollment" was the date of the first communication with the person. The clinical record did not contain information about any interactions, communications or pre-screenings that transpired with the persons prior to the date that the person got admitted to the organization.

Elements of Performance:

2. The clinical/case record of the individual served contains the following clinical information: - The reason(s) for admission for care, treatment, or services - The initial diagnosis, diagnostic impression(s), or condition(s) - Any findings of assessments and reassessments - Any allergies to food - Any allergies to medications - Any conclusions or impressions drawn from the medical history and physical examination - Any diagnoses or conditions established during the course of care, treatment, or services - Any consultation reports - Any observations relevant to care, treatment, or services - The response to care,

treatment, or services - Any emergency care, treatment, or services provided prior to arrival - Any progress notes - Any medications ordered or prescribed - Any medications administered, including the strength, dose, and route - Any access site for medication, administration devices used, and rate of administration (for intravenous therapy) - Any adverse drug reactions - Treatment goals, plan of care, and revisions to the plan of care, treatment, or services - Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category: C

Corrective Action Taken:

WHO:

The staff responsible for the corrective action and ongoing compliance are Barbara Doty (Program Director), Richard Jones, LADAC (Clinical Supervisor), Carolyn Thomas, LPN (Nursing Supervisor) and Ruzella Murphy (Administrative Support). Mrs. Doty, Mr. Jones and Mrs. Thomas conducted a training regarding treatment plans, treatment plan worksheets, bio psychosocial assessments and medical assessments. Mrs. Murphy conducted a training regarding the Inquiry Program versus the effective enrollment date into MMT. These trainings included form instruction training on the BHG extranet sight.

WHAT:

Mrs. Doty and Mr. Jones conducted a formal training on treatment plans, treatment plan worksheets, clinical assessments and bio psychosocial assessments. Mrs. Thomas conducted a medical training regarding nursing assessments, guest dose/permanent transfer paperwork and appropriate medical documentation regarding initial contact with patients. Mrs. Murphy conducted a formal training on the initial contact with patients (Inquiry Program) versus the effective date of a patient being enrolled in MMT. A formal training roster has been completed for all staff, with signatures for verification of the training.

WHEN:

The trainings were conducted on the following dates: 1. Treatment Plans, treatment plan worksheet, bio psychosocial assessments and forms instructions training was conducted on August 29, 2012. 2. The medical assessment, guest dose/permanent transfer paperwork, forms instructions along with appropriate medical documentation on initial contact was conducted on August 29, 2012. 3. The Inquiry Program training versus the effective date for enrollment into the MMT was conducted on July 23, 2012.

HOW:

It is BHG's current policy to complete a chart audit inspection of one third of the census each month in order to complete the entire census within the quarter. This chart or "peer review" inspection would include treatment plans, treatment plan worksheets, bio psychosocial, medical and enrollment dates for MMT program versus Inquiry Program.

Evaluation Method: Barbara Doty (Program Director), Richard Jones, LADAC, Carolyn Thomas, LPN and Ruzella Murphy will be the persons responsible for ensuring and assessing that the corrective action plan is being completed. They will audit a random sampling of 50 cases each month for a four month track record, auditing for treatment plans, treatment plan worksheets, bio psychosocial assessments, medical documentation regarding guest dose/permanent transfer and initial patient contact versus when a patient enrolls in MMT. The goal is to be 100% compliant.

Measure of Success Goal (%): 100

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 60-day Evidence of Standards Compliance Form

Due Date: 9/17/2012

BHC Standard HR.02.01.03 The organization assigns initial, renewed, or revised clinical responsibilities to staff who are permitted by law and the organization to practice independently.

Findings: EP 23 Observed in Competency Session at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The assignment of clinical responsibilities has not been completed for one of two LIP's who provide medical care in this organization

Elements of Performance:

23. The governing body approves, in writing, clinical responsibilities.

Scoring Category: A

Corrective Action Taken:

WHO:

Director of Human Resources ,Nancy Peek completed the NPDB on 9/6/12 for Dr.Moragne. Stacey Harris, Director of Compliance/QA completed the Clinical Assignment of Responsibilities and will be responsible for the ongoing compliance.

WHAT:

Director of Human Resources, Nancy Peek completed the NPDB 9/6/12 for Dr.Moragne. LIP packet was completed by Dr. Moragne on 9/5/12. Stacey Harris, Director of Compliance/QA completed the assignment of Clinical Responsibilities on 9/6/12 regarding Dr. Moragne.

WHEN:

The LIP application was completed on 9/5/12 by Dr. Moragne. Nancy Peek completed the NPDB on 9/6/12 Stacey R. Harris completed the Assignment of clinical Responsibilities on 9/6/12.

HOW:

The process for hiring LIP's was in place at time of survey. No changes were made to the process. The clinic failed to follow the current policies and procedures. The Director of Compliance will monitor quarterly for ongoing compliance with the LIP applications utilizing the HR audit tool.

BHC Standard LD.04.01.07 The organization has policies and procedures that guide and support care, treatment, or services.

Findings: EP 1 Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The policies and procedures specific to Temporary Transfers (or guest dosing) did not address the interim procedures to be implemented when a person requesting immediate admission to this clinic begins treatment at an affiliated clinic and then guest doses at this clinic until the day they can be scheduled to this clinic for admission to this clinic. Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The admission and scope of assessment policy or policies did not clearly address the criteria for either reviewing an revising an assessment or initiating a new assessment when a patient was initially admitted to an affiliated clinic and then transferred to this clinic within a short time.

Elements of Performance:

1. Leaders review and approve policies and procedures that guide and support care, treatment, or services.

Scoring Category: A

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

WHAT:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012.

WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is responsible for the corrective action plan and ongoing compliance.

BHC Standard MM.04.01.01 Medication orders are clear and accurate. Note: This standard is applicable only to organizations that prescribe medications. The elements of performance in this standard do not apply to prescriptions written by a prescriber who is not affiliated with the organization.

Findings: EP 5 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in one clinical record indicated that the patient was guest dosed at this clinic the day before the order was faxed to the clinic.

Elements of Performance:

5. For organizations that prescribe medications: The organization has a written policy that defines actions to take when medication orders are incomplete, illegible, or unclear.

Scoring Category: A

Corrective Action Taken:**WHO:**

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

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WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the clinical and medical staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is the person responsible for the corrective action plan and ongoing compliance.

SUPPLEMENTAL- # 1

May 27, 2014

10:40am

**May 27, 2014
10:40am**

0101736728

Affidavit of Publications

Newspaper: Jackson Sun 7 Day

State Of Tennessee

**TEAR SHEET
ATTACHED**

Account Number: 302879JS

Advertiser: JACKSON PROFESSIONAL ASSOC

RE:

I, *J Perry* **Sales Assistant** for the

above mentioned newspaper, hereby certify that the attached
advertisement appeared in said newspaper on the following dates:

5/10/2014

J Perry

2014

Subscribed and sworn to me this 22 day of May,

Lela Bates

NOTARY PUBLIC



MENTAL- #1
May 27, 2014
10:40am

4099 Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1001 et seq., and the Rules of the Health Services and Development Agency, that the BNS Jackson Treatment Center (an adult non-residential substance abuse treatment center for persons addicted to various drugs) Jackson (Professional Association), owned and managed by BNSKCS LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate from its current site at 1899 Highway 45 Bypass, Suite 5, Jackson, TN 38205, to 58 Carriage House Drive, Suite A, Jackson, TN 38205 (a distance of 1.5 miles), at a projected cost estimated at \$1,300,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol and Drug Non-Residential Outpatient Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction—with testing, monitoring, counseling, medication (including methadone and suboxone), and related services required for state licensure and for federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or require any other health services, and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Winkler, who may be reached at Development Support Group, 4210 Hillside Road, Suite 210, Nashville, TN 37215, (615) 955-2322.

Upon written request by interested parties, a local First Hearing public hearing shall be conducted. Written requests for hearing should be sent to: Tennessee Health Services and Development Agency, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243.

Pursuant to T.C.A. Sec. 68-11-1001(4)(A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

4099 Public Notices

NOTICE

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The anticipated receipts herein appropriated shall be designed as follows:

GENERAL FUND	FY 14 Budget	FY 14 Amended Budget	FY 15 Budget	\$	%
REVENUES	64,115,357.81	65,362,582.25	62,108,882.90	(2,433,918.49)	-4.36%
LINE EXPENSES					
ADMINISTRATION	5,882,082.72	6,115,627.88	4,808,331.05	(1,308,895.83)	-21.40%
GENERAL CONT.	8,547,900.41	7,746,548.81	7,260,371.29	(986,478.52)	-11.61%
POLICE	16,882,271.74	18,918,558.77	18,373,315.89	(545,242.88)	-2.87%
POLICE GRANTS	582,841.13	795,141.02	512,212.30	(282,928.72)	-35.50%
FIRE	12,009,040.56	12,003,590.25	12,444,138.71	(564,453.54)	-4.69%
FIRE GRANTS	0.00	0.00	0.00	0.00	0.00%
OTHER PUBLIC SAFETY	1,340,887.24	1,247,474.99	1,444,140.85	(80,885.39)	-4.37%
PUBLIC WORKS	6,058,681.85	6,793,584.48	6,727,636.47	(66,948.01)	-0.79%
RECREATION	3,470,063.00	3,480,798.24	3,405,328.26	(75,469.98)	-1.74%
PUBLIC BLDGS	2,891,029.77	3,776,773.52	3,695,523.90	(81,249.62)	-3.87%
TOTAL	62,532,267.12	64,806,908.16	61,263,367.35	(3,543,540.81)	-4.36%
OTHER FUNDS					
EXPENSE	FY 14 Budget	FY 14 Amended Budget	FY 15 Budget	\$ <td>% </td>	%
SPORTSPLEX	2,837,500.00	2,837,500.00	2,844,725.00	7,225.00	7.44%
COMMUNITY DEVELOPMENT	1,295,441.00	1,295,441.00	1,309,852.00	44,111.00	3.43%
SAFETY	12,988,389.00	12,998,389.00	12,704,688.15	(293,700.85)	-2.26%
POLICE DRUG FUND	33,500.00	33,500.00	33,500.00	0.00	0.00%
METRO DRUG FUND	327,000.00	327,000.00	418,000.00	91,000.00	28.00%
POST SERVICE FUND	22,314,105.00	22,314,105.00	18,276,127.00	(4,037,978.00)	-18.12%
CAPITAL OUTLAY	16,074,771.50	17,260,537.50	12,765,527.50	(4,495,010.00)	-26.03%
LANDFILL	65,000.00	65,000.00	65,000.00	0.00	0.00%
ORA	296,226.00	296,226.00	0.00	(296,226.00)	-100.00%

Total Public Notice: \$1,405,664, General Fund \$1,517,000

At Large, City Recorder

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4099 Public Notices

NOTICE

Public Notice is hereby given that an Ordinance will be introduced before the City Council of the City of Jackson on May 20 & June 3, 2014, the purpose of which is to appropriate the proceeds of the Recreational Office at City Hall and may be amended during normal working hours. A public hearing will be held at the meeting of the City Council at 9:00 a.m. on May 20 & June 3, 2014 in the George A. Smith Meeting Room at City Hall.

The anticipated receipts herein appropriated shall be designed as follows:

GENERAL FUND	FY 14 Budget	FY 14 Amended Budget	FY 15 Budget	\$	%
REVENUES	64,115,357.81	65,362,582.25	62,108,882.90	(2,433,918.49)	-4.36%
LINE EXPENSES					
ADMINISTRATION	5,882,082.72	6,115,627.88	4,808,331.05	(1,308,895.83)	-21.40%
GENERAL CONT.	8,547,900.41	7,746,548.81	7,260,371.29	(986,478.52)	-11.61%
POLICE	16,882,271.74	18,918,558.77	18,373,315.89	(545,242.88)	-2.87%
POLICE GRANTS	582,841.13	795,141.02	512,212.30	(282,928.72)	-35.50%
FIRE	12,009,040.56	12,003,590.25	12,444,138.71	(564,453.54)	-4.69%
FIRE GRANTS	0.00	0.00	0.00	0.00	0.00%
OTHER PUBLIC SAFETY	1,340,887.24	1,247,474.99	1,444,140.85	(80,885.39)	-4.37%
PUBLIC WORKS	6,058,681.85	6,793,584.48	6,727,636.47	(66,948.01)	-0.79%
RECREATION	3,470,063.00	3,480,798.24	3,405,328.26	(75,469.98)	-1.74%
PUBLIC BLDGS	2,891,029.77	3,776,773.52	3,695,523.90	(81,249.62)	-3.87%
TOTAL	62,532,267.12	64,806,908.16	61,263,367.35	(3,543,540.81)	-4.36%
OTHER FUNDS					
EXPENSE	FY 14 Budget	FY 14 Amended Budget	FY 15 Budget	\$ <td>% </td>	%
SPORTSPLEX	2,837,500.00	2,837,500.00	2,844,725.00	7,225.00	7.44%
COMMUNITY DEVELOPMENT	1,295,441.00	1,295,441.00	1,309,852.00	44,111.00	3.43%
SAFETY	12,988,389.00	12,998,389.00	12,704,688.15	(293,700.85)	-2.26%
POLICE DRUG FUND	33,500.				

SUPPLEMENTAL- # 1

May 27, 2014

10:40am



SUPPLEMENTAL- # 1

May 27, 2014

10:40am

8300 Douglas Avenue, Suite 750
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Lowe Finney
Senator, State of Tennessee
312 East Lafayette Street
Jackson, TN 38301

**RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment
Center for Opiate Addiction**

Dear Senator Finney:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at \$1,300,000.

Opioid Treatment Programs (OTPs) give persons struggling with opioid drug addiction (e.g., OxyContin, hydrocodone) the best chance at long term recovery, as the OTP treatment model specifically addresses both the neurochemical and psychological aspects of the disease. This dual-pronged approach is accomplished on an outpatient basis through physician-supervised medication assisted treatment (i.e., methadone replacement therapy) and intensive behavioral treatment (i.e., individual and group counseling), and it is complemented by access to social services and other support systems for patients. OTPs have been found by the Tennessee Department of Mental Health and relevant federal agencies to be tremendous resources for persons struggling to overcome opioid addiction and also for their families and communities.

This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

May 27, 2014
10:40am

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 MAY 20 2014
 NASHVILLE TN ARCADE STA 37219

Sent To: *Senator Howe Finney*
 Street, Apt. No., or PO Box No. *312 East Lafayette St.*
 City, State, ZIP+4[®] *Jackson, TN 38301*

PS Form 3800, August 2005 See Reverse for Instructions

Rid back at BBS
5-23-14

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <i>Gedorce Longfellow</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Gedorce Longfellow</i> C. Date of Delivery <i>5-21-14</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to: <i>Senator Howe Finney</i> <i>312 East Lafayette St.</i> <i>Jackson, TN 38301</i></p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from service label) 7011 3500 0001 0064 0930</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



Behavioral
Health
Group

8300 Douglas Avenue, Suite 750
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Johnny Shaw
Representative, State of Tennessee
P. O. Box 191
123 West Market Street
Bolivar, TN 38008

**RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment
Center for Opiate Addiction**

Dear Representative Shaw:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at \$1,300,000.

Opioid Treatment Programs (OTPs) give persons struggling with opioid drug addiction (e.g., OxyContin, hydrocodone) the best chance at long term recovery, as the OTP treatment model specifically addresses both the neurochemical and psychological aspects of the disease. This dual-pronged approach is accomplished on an outpatient basis through physician-supervised medication assisted treatment (i.e., methadone replacement therapy) and intensive behavioral treatment (i.e., individual and group counseling), and it is complemented by access to social services and other support systems for patients. OTPs have been found by the Tennessee Department of Mental Health and relevant federal agencies to be tremendous resources for persons struggling to overcome opioid addiction and also for their families and communities.

This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

May 27, 2014
10:40am

7011 3500 0001 0064 0947

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
	
Sent To: <i>Rep. Johnny Shaw</i>	
Street, Apt. No. or PO Box No. <i>P.O. Box 191</i>	
City, State, ZIP+4 <i>Bellevue, TN 38008</i>	
PS Form 3800, August 2006 See Reverse for instructions	

Recd back at BBS 5-23-14

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
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<p>1. Article Addressed to:</p> <p><i>Rep. Johnny Shaw</i> <i>P.O. Box 191</i> <i>123 W. Market Street</i> <i>Bellevue, TN 38008</i></p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7011 3500 0001 0064 0947</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>			



Behavioral
Health
Group

SUPPLEMENTAL- # 1

May 27, 2014

8300 Douglas Avenue, Suite 10140am
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Jerry Gist
Mayor, Jackson, Tennessee
121 East Main Street, Suite 301
Jackson, TN 38301

**RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment
Center for Opiate Addiction**

Dear Mayor Gist:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at \$1,300,000.

Opioid Treatment Programs (OTPs) give persons struggling with opioid drug addiction (e.g., OxyContin, hydrocodone) the best chance at long term recovery, as the OTP treatment model specifically addresses both the neurochemical and psychological aspects of the disease. This dual-pronged approach is accomplished on an outpatient basis through physician-supervised medication assisted treatment (i.e., methadone replacement therapy) and intensive behavioral treatment (i.e., individual and group counseling), and it is complemented by access to social services and other support systems for patients. OTPs have been found by the Tennessee Department of Mental Health and relevant federal agencies to be tremendous resources for persons struggling to overcome opioid addiction and also for their families and communities.

This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

May 27, 2014

10:40am

7011 3500 0001 0064 0954

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 Restricted Delivery Fee (Endorsement Required)
 Total Postage & Fees \$

Nashville TN ARCADE STA
 MAY 20 2014
 37219

Sent to: *The Hon. Jerry Gist, Mayor - Jackson*
 Street, Apt. No., or PO Box No. *121 East Main Street #301*
 City, State *Jackson, TN 38301*

PS Form 3800, August 2006 See Reverse for Instructions

Reid Mack at BAS, 5-23-14

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p><i>The Hon. Jerry Gist, Mayor, City of Jackson 121 East Main Street Suite 301 Jackson, TN 38301</i></p>		<p>A. Signature <i>Betty Lynn Moore</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Betty Lynn Moore</i></p> <p>C. Date of Delivery <i>5-27-14</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7011 3500 0001 0064 0954</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

May 27, 2014

8300 Douglas Avenue, Suite 100
Dallas, TX 75225
10:40am

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Jimmy Harris
County Mayor, Madison County
100 E. Main Street, Suite 302
Jackson, TN 38301

**RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment
Center for Opiate Addiction**

Dear Mayor Harris:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at \$1,300,000.

Opioid Treatment Programs (OTPs) give persons struggling with opioid drug addiction (e.g., OxyContin, hydrocodone) the best chance at long term recovery, as the OTP treatment model specifically addresses both the neurochemical and psychological aspects of the disease. This dual-pronged approach is accomplished on an outpatient basis through physician-supervised medication assisted treatment (i.e., methadone replacement therapy) and intensive behavioral treatment (i.e., individual and group counseling), and it is complemented by access to social services and other support systems for patients. OTPs have been found by the Tennessee Department of Mental Health and relevant federal agencies to be tremendous resources for persons struggling to overcome opioid addiction and also for their families and communities.

This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

May 27, 2014
10:40am

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Total Postage & Fees \$

Sent To *Jimmy Harris, County Mayor, Madison*
Street, Apt. No.,
or PO Box No. *100 E. Main St. #302*
City, State, ZIP+4® *Jackson, TN 38301*

PS Form 3800, August 2006 See Reverse for Instructions

Rec'd back at 685, 5-23-14

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>x Regatta Nelson</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to: <i>The Hon Jimmy Harris County Mayor, Madison Co. 100 East Main Street Suite 302 Jackson, TN 38301</i></p>	<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>
<p>2. Article Number (Transfer from service label) <i>7011 3500 0001 0064 0961</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: BHG Treatment Center - Jackson

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 22nd day of May, 2014, witness my hand at office in the County of DAVIDSON, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires November 5, 2014.

HF-0043

Revised 7/02





State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364/Fax: 615/532-9940

May 28, 2014

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1405-014
BHG Jackson Treatment Center

Dear Mr. Wellborn:

This will acknowledge our May 27, 2014 receipt of your supplemental response for a Certificate of Need to relocate BHG Jackson Treatment Center from its current site at 1869 Highway 45 Bypass, Suite 5, Jackson (Madison County), TN 38305, to 58 Carriage House Drive, Suites A and B, Jackson (Madison County), TN, 38305.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 4:00 p.m., Thursday, May 29, 2014. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section C, Economic Feasibility, Item 1 (Project Costs Chart)

The provided Architect's letter is noted. However, the referenced provider's name in the letter is "ADC Recovery and Counseling Center", not BHG Jackson Treatment Center. Please clarify.

2. Section C, Economic Feasibility, Item 10.

The latest balance sheet and income statement for the applicant is noted.

If the proposed program's development will be funded by the applicant's parent company, please provide clarification to the following:

- Please clarify how BHG Holdings, LLC will adequately fund the proposed project with total current assets as of December 31, 2013 of \$2,690,238, and total current

liabilities of \$3,895,005, equaling a current ratio of .69 to 1; and VCPHCS LP Consolidated with total current assets as of April 30, 2014 of \$2,426,634, and total current liabilities of \$3,141,071, equaling a current ratio of .77 to 1.

The BHG Holdings, LLC Net Loss of \$2,292,379 in 2013 and Net Loss of \$1,920,746 in 2012 is noted. What is the operating profit forecast of BHG Holdings, Inc. for the remainder of 2014?

Please clarify the reason interest expense in the amount of \$5,096,414 is 69% of clinic operating expenses of \$7,372,956 in 2013.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is July 18, 2014. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Mr. John Wellborn
May 28, 2014
Page 3

Should you have any questions or require additional information, please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Phillip Earhart", written in dark ink.

Phillip Earhart

HSD Examiner
PME
Enclosure

SUPPLEMENTAL - #2 -ORIGINAL-

**BHG JACKSON TREATMENT
CENTER**

CN1405-014

May 29, 2014

3:11 pm

May 29, 2014

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1405-014
BHG Jackson Treatment Center

Dear Mr. Earhart:

This letter responds to the second supplemental request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section C, Economic Feasibility, Item 1 (Project Costs Chart)

The provided Architect's letter is noted. However, the referenced provider's name in the letter is "ADC Recovery and Counseling Center", not BHG Jackson Treatment Center. Please clarify.

A corrected letter from the architect is attached after this page. A clerical error occurred in the architect's office.

May 29, 2014**3:11 pm**

1052 Oakhaven Road
Memphis TN 38119
901.761.3905
901.761.4103
www.dentonarchitecture.com

29 May 2014

Ms Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building; 9th Floor
502 Deaderick Street
Nashville Tennessee 37243

RE: BHG Treatment Center of Jackson
58 Carriage House Jackson TN

Dear Ms Hill:

Denton Architecture has reviewed the construction cost estimate provided by Behavioral Health Group. Based on experience and the current construction market, it is our opinion that the projected construction cost of \$372,540 appears to be reasonable for this project type, size & location.

Below is a list of the current codes and laws governing the architectural design and construction of this project.

Codes:

- 2006 International Building Code (IBC)
- 2006 International Mechanical Code (IMC)
- 2006 International Plumbing Code (IPC)
- 2006 International Fire Code (IFC)
- 2006 International Fuel & Gas Code (IFGC)
- 2006 International Energy Conservation Code (IECC)
- 2005 National Electrical Code (NEC)
- 1999 North Carolina Accessibility Code Volume 1-C w/2002 & 2004 amendments
or 2003 Accessibility Code ICC/ANSI A117.1

Laws:

Americans with Disability Act Accessibility Guidelines (revised 9-15-2010)

Behavioral Health Group shall be responsible to conform to all applicable State of Tennessee licensure standards.

Thank you

A handwritten signature in black ink, appearing to read 'Marcus S Denton', written over a horizontal line.

Marcus S Denton, AIA

May 29, 2014**3:11 pm**

Page Two
May 29, 2014

2. Section C, Economic Feasibility, Item 10.

The latest balance sheet and income statement for the applicant is noted. If the proposed program's development will be funded by the applicant's parent company, please provide clarification to the following:

The following responses in quotations have been forwarded by Mr. James Draudt, COO of Behavioral Health Group.

a. Please clarify how BHG Holdings, LLC will adequately fund the proposed project with total current assets as of December 31, 2013 of \$2,690,238, and total current liabilities of \$3,895,005, equaling a current ratio of .69 to 1; and VCPHCS LP Consolidated with total current assets as of April 30, 2014 of \$2,426,634, and total current liabilities of \$3,141,071, equaling a current ratio of .77 to 1.

"BHG Holdings, LLC, the parent, can adequately fund the Jackson, TN relocation project. The lower Current Ratio reflects calendar year 2013 discretionary cash expenditures for a number of other treatment center upgrades within the BHG network, as well as two acquisitions that generate positive operating cash flows. Specifically, we relocated and upgraded eleven (11) treatment centers out of the 35 treatment centers in our network in 2013. These were proactive decisions to use cash to upgrade our treatment centers, infrastructure, and staff. As part of that effort, we incurred double rents and one-time expenditures that reduced cash and generated GAAP reported losses. In addition, we made the discretionary decision to retire a small portion of our senior credit facility in 2013 (\$385,000) knowing that the business' ability to generate predictable operating cash flows will fund ongoing operations and investments (see below). In addition, BHG Holdings has excess capacity on our credit line (existing additional revolver capacity = \$4.1M) and has the ability to call dedicated equity (greater than \$2,000,000) to fund projects as needed."

b. The BHG Holdings, LLC Net Loss of \$2,292,379 in 2013 and Net Loss of \$1,920,746 in 2012 is noted. What is the operating profit forecast of BHG Holdings, Inc. for the remainder of 2014?

"BHG Holdings is projecting generating Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) of \$13,081,000 and net operating cash flows greater than \$4,086,000 in calendar year 2014."

c. Please clarify the reason interest expense in the amount of \$5,096,414 is 69% of clinic operating expenses of \$7,372,956 in 2013.

"Interest expense incurred reflects the amortization of mezzanine and senior debt interest payments in accordance with our credit agreement. These payments are easily made while also funding ongoing operations and investments."

May 29, 2014

3:11 pm

Page Three
May 29, 2014

Publication of Notice

In the responses to the first supplemental questions, the applicant submitted a copy of the affidavit of publication, pending receipt of the original by mail. Attached after this letter is the original affidavit of publication.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn
Consultant

0101736728

Affidavit of Publications **May 29, 2014**
3:11 pm

Newspaper: Jackson Sun 7 Day

State Of Tennessee

**TEAR SHEET
ATTACHED**

Account Number: 302879JS

Advertiser: JACKSON PROFESSIONAL ASSOC

RE:

I, *V Perry* **Sales Assistant** for the

above mentioned newspaper, hereby certify that the attached
advertisement appeared in said newspaper on the following dates:

5/10/2014

V Perry

2014

Subscribed and sworn to me this 22 day of May,

Lela Bates

NOTARY PUBLIC



Public Notices

0101730728

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-101 et seq., and the Rules of the Health Services and Development Agency, that the HHS, Jackson, Tennessee, Center for Adult Non-Hospital Substitution Treatment Center, an adult non-hospital substitution treatment center for opiate addiction formerly named "Jackson Professional Association", owned and managed by VOPHES XIX, LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate their current site at 1809 Highway 45 Bypass, Suite 5, Jackson, TN 38202, to 59 Cottage House Drive, Suite A & B, Jackson, TN 38205 (a distance of 1.5 miles), at a projected cost estimated at \$1,200,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opiate addiction with testing, monitoring, counseling, medication (including methadone and suboxone), and related services required for client treatment and for Federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or intrude or discontinue any other health service, and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wootton, who may be reached at Development Support Group, 4219 Highway 42, Suite 210, Nashville, TN 37215, (615) 665-3022.

Upon written request by interested parties, a local fact finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 6th Floor
302 E. Broadway Street
Nashville, TN 37203

Pursuant to T.C.A. Sec. 68-11-102(f)(1) (A) any person who has an interest in the proposed Certificate of Need application must file a written objection with the Health Services and Development Agency no later than (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is properly scheduled, and (B) any other person wishing to oppose the application must file a written objection with the Health Services and Development Agency or prior to the consideration of the application by the Agency.

Public Notices

NOTICE

Public Notice is hereby given that an Ordinance will be introduced before the City Council of the City of Jackson on May 20 & June 3, 2014, the purpose of which is to appropriate the proceeds of the law levy for the fiscal year 17/17/14 through 6/30/2015. The Ordinance in its entirety is on file in the Recorder's Office at City Hall and may be examined during normal working hours. A public hearing will be held at the meeting of the City Council at 9:00 a.m. on May 20 & June 3, 2014 in the George A. Smith Meeting Room at City Hall.

The anticipated receipts herein appropriated shall be designed as follows:

GENERAL FUND	FY14 Budget	FY14 Amended Budget	FY15 Budget	%	VAR
REVENUES	94,115,287.61	95,252,342.05	92,106,662.60	(3,145,679.45)	-4.9%
LESS EXPENSES					
ADMINISTRATION	5,852,062.72	6,115,027.86	4,806,731.05	(1,308,296.81)	-21.40%
GENERAL GOVT.	8,541,500.51	7,780,348.81	7,385,871.29	(394,477.52)	-5.01%
POLICE	18,842,771.74	19,016,564.77	19,571,715.99	(16,848.78)	-0.24%
POLICE GRANTS	992,842.13	785,141.62	512,200.00	(282,941.62)	-35.58%
FIRE	12,006,840.50	13,053,960.25	12,444,138.71	(609,821.54)	-4.5%
FIRE GRANTS	0.00	0.00	0.00	0.00	0.00%
OTHER PUBLIC SAFETY	1,340,857.24	1,387,474.99	1,448,140.84	60,665.85	4.37%
PUBLIC WORKS	6,586,891.65	6,793,354.48	6,727,296.47	(65,948.01)	-0.75%
RECREATION	3,420,063.80	3,480,798.24	3,420,325.26	(60,472.98)	-1.74%
PURCH. BUDS	3,899,028.77	3,795,779.52	3,656,529.50	(139,250.02)	-3.67%
TOTAL	95,523,281.12	94,808,908.58	91,983,301.75	(2,825,606.83)	-3.0%
OTHER FUNDS					
EXPENSE	FY 14 Budget	Amended Budget	FY 15 Budget	%	VAR
SPORTSPLEX	2,837,500.00	2,837,500.00	3,048,725.00	211,225.00	7.44%
COMMUNITY DEVELOPMENT	1,295,441.00	1,295,441.00	1,339,852.00	44,411.00	3.43%
HEALTH	12,098,399.00	12,098,399.00	12,704,068.15	(605,669.15)	-5.01%
POLICE DRUG FUND	33,500.00	33,500.00	33,440.00	(60.00)	-0.18%
METRO DRUG FUND	327,000.00	327,000.00	418,810.00	91,810.00	28.08%
DRUG SERVICE FUND	23,141,160.00	23,141,160.00	23,128,818.00	(22,342.00)	-0.1%
CAPITAL OUTLAY	16,074,771.50	17,260,337.50	12,765,527.00	(4,494,810.50)	-26.32%
LANDFILL	65,000.00	65,000.00	65,000.00	0.00	0.00%
CRA	226,226.00	226,226.00	0.00	(226,226.00)	-100.00%
Total					
Total Other Resources	\$ 4,065				
General Fund	\$1,364				
Total	\$ 5,700				

At LaFolton, City Recorder

Public Notices

STUFF

Join the conversation.

4155 Collectibles

Kyocera Bio Cell for Asymptomatic HIV/AIDS. \$15. Call 731-381-7754

STRAIGHT RAZER VINTAGE COLLECTION

Set of 3 razors. High quality. Call 731-381-7754

4175 Exercise Equipment

TREADMILL: Nordic Tread 550. Only used 2 hours. \$125.00. Call 731-381-7754

4165 Good Things to Eat

TURNIP & HONEYDew: 10 lbs. \$1.99. Call 731-381-7754

4220 Landscaping

WEEDING: 1 hour. \$15.00. Call 731-381-7754

SWEET LIPS

WEEDING: 1 hour. \$15.00. Call 731-381-7754

4240 Merchandise Wanted

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Business & Service DIRECTORY

Advertise your business for under \$3.00 per day. For more information, please call 731.423.0300.

Home Improvement

Excavating

30 Years Experience

May 29, 2014

3:11 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: BHG Jackson Recovery Center

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th day of May, 2014, witness my hand at office in the County of Davidson, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires November 5, 2014.

HF-0043

Revised 7/02

